# Herald INTERNATIONAL Tribune

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TODAY:

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | R | London, Thursday, June 5, 1997 | No. 35,539


# On Eve of Vote, Algerians See Glimmer of Hope

By John Lancaster
*Washington Post Service*

ALGIERS — There are times in this balmy seaside capital, with its cypress trees and whitewashed villas and air of faded colonial elegance, that life seems almost normal.

Women lick ice-cream cones on a sun-splashed street corner. A small girl embraces two loaves of French bread. Bursts of color erupt from tiny flower stalls.

Then comes the dull thud of another bombing, and Algerians are jolted back to the present.

On Thursday, the war-weary citizens of this vast North African country will vote in their first parliamentary elections since 1992, when the government canceled multiparty balloting that Islamic fundamentalists were poised to win and, in doing so, unleashed a tide of political violence that so far has claimed an estimated 60,000 lives.

While the government views the election as a chance to restore some of its lost legitimacy, the main Islamist opposition party, now officially banned, has denounced it as a fraud and urged voters to stay home. The runup to the election has been marred by a surge in violence that over the last few months has killed several hundred people, many of them women and children massacred in villages near Algiers with swords, axes and even chainsaws.

Tensions also have been rising in the capital, which has been hit with almost daily bombings that authorities acknowledge have killed 22 people and injured 120 in the last week alone. Another bomb apparently went off here this afternoon, sending up black smoke from a hilltop a few miles from the heavily guarded Aurassi Hotel, where most foreign journalists are staying. Government officials at the hotel, however, said they had no information on the incident and barred reporters from visiting the scene.

After a campaign season tainted by allegations of rigging in favor of the pro-government National Democratic Rally — and a constitutional amendment last year that sharply limited the powers of the 380-seat National Assembly — many Algerians are deeply cynical about the commitment of the military-backed regime, headed by President Liamine Zeroual, to multiparty democracy.

Virtually no one expects the election to have any immediate effect on the level of violence, which has been attributed largely to armed Islamic militants but also has implicated members of government security forces. But for all its obvious limitations, many Algerians view the competition among more than 7,000 candidates from 39 parties — including two that represent the Islamic trend — as at least a starting point for dialogue and eventual reconciliation. That view is shared by Western governments, including the United States, which has dispatched a 14-member election monitoring team to Algeria and encouraged other countries to do the same.

"The elections don't mean much in terms of the

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# Germans Forge Key Labor Pact

## *Chemical Workers Will Accept Pay Reductions in Bad Times*

By Edmund L. Andrews
*New York Times Service*

FRANKFURT — Unions representing Germany's 600,000 chemical workers agreed Wednesday to a contract that opens the possibility for troubled companies to reduce wages by 10 percent. The pact offers a significant bow toward workplace flexibility in a country that has lost more than a million jobs in five years.

The new contract, which covers about 1,700 companies, including giants like Hoechst AG, BASF and Bayer AG, is the most dramatic departure yet from the iron-clad work rules that govern most employers in Germany and many other European countries.

It comes at a time when more than 11 percent of Germany's workers are jobless and its companies are building factories in Eastern Europe, Asia and Latin America. The mounting insecurity over *standort Deutschland*, German competitiveness, has provoked reams of debate here about the country's purported inflexibility and prohibitively high costs of doing business.

The contract breaks with the status quo in two important ways, and could become a model for other collective-bargaining in other industries.

First, it would allow companies that are in serious economic distress to ask local unions for wage reductions of up to 10 percent in exchange for promising not to lay off workers.

Second, it gives individual companies much greater ability to break loose from the industry-wide rules that now govern workers and employers throughout a particular industry.

"If the other unions go in the same direction, the German style of collective bargaining would be dead," said Wolfgang Scheremet, a labor economist at the German Institute for Economic Research in Berlin.

The contract "breaks through to a new age," Hans Terbrack, lead negotiator for I. G. Chemie, the chemical workers' union, said after reaching agreement with industry negotiators Tuesday night. Dieter Hundt, head of the chemical industry's trade association, said the agreement was a "clear step in the right direction."

And Werner Stumpfe, head of the heavy industry association, called the agreement "correct, important and

German social crisis pits young vs. old in battle for benefits. Page 10.

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# South Korea Weakened By Scandals

## *Student Riots Leave Government Reeling*

By Mary Jordan
*Washington Post Service*

SEOUL — The South Korean capital, where noisy student protest is a way of life, has been struck this week by a series of anti-corruption demonstrations that have surprised the city with their intensity and violence.

Since a nationally televised speech Friday, when President Kim Young Sam conceded that the money-soaked political system had forced him to spend "huge amounts" in his 1992 campaign, thousands of students, carrying firebombs and iron bars, have been rioting.

All week long, the capital has been teeming with riot police; uniformed men with tear gas and rubber batons are posted at nearly every subway stop. More cruise the city in buses reinforced with steel cages. A riot policeman was killed Monday night; apparently an armored riot vehicle backed up and crushed him in the chaos of thousands of students smashing police with steel rods and chanting, "Down with Kim Young Sam."

[A second death was reported Wednesday as student radicals admitted they had tortured a 23-year-old worker to death because they believed he was a police informant, Agence France-Presse reported.]

Despite the violence, Mr. Kim has so far declined to fully engage in the debate over his campaign financing. He refuses to say how much campaign money he spent in 1992, or exactly where it came from; critics say he may have spent $400 million, 10 times the legal limit.

The president has not been charged with doing anything wrong. In fact, many people say he has done his best to change a system that works only when greased with graft. They credit him with important reforms to the nation's banking laws that make it harder to hide dirty money.

Still, the current scandals have severely hobbled Mr. Kim in the last year of his presidency. His plummeting public-approval ratings have left South Korea without a strong leader at a crucial time in dealings with North Korea and when the United States is pressing a vigorous trade agenda.

Mr. Kim is prohibited by law from

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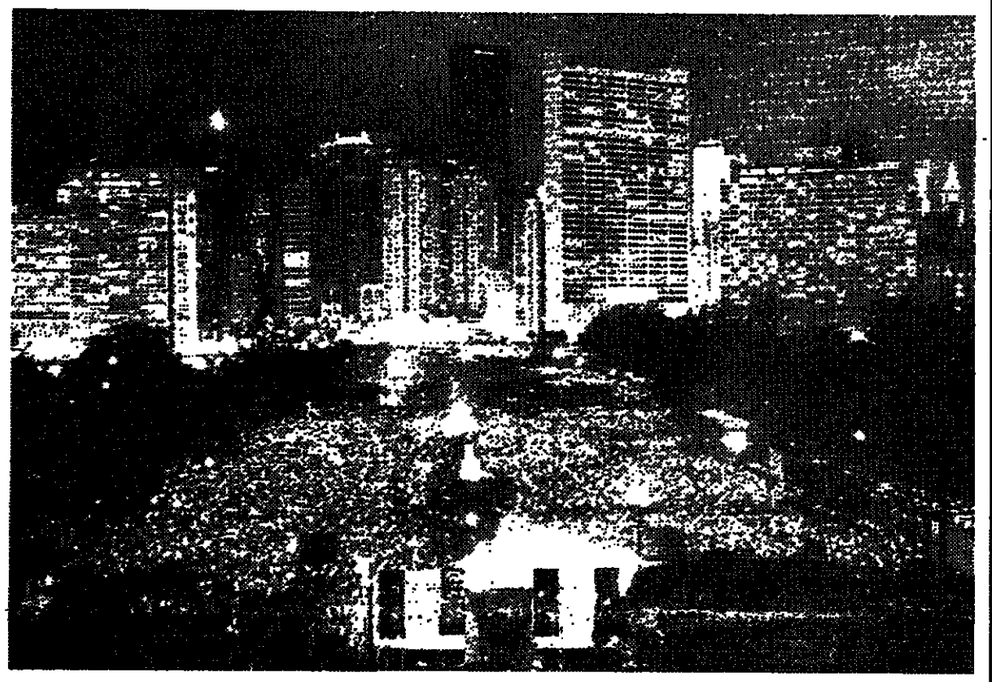
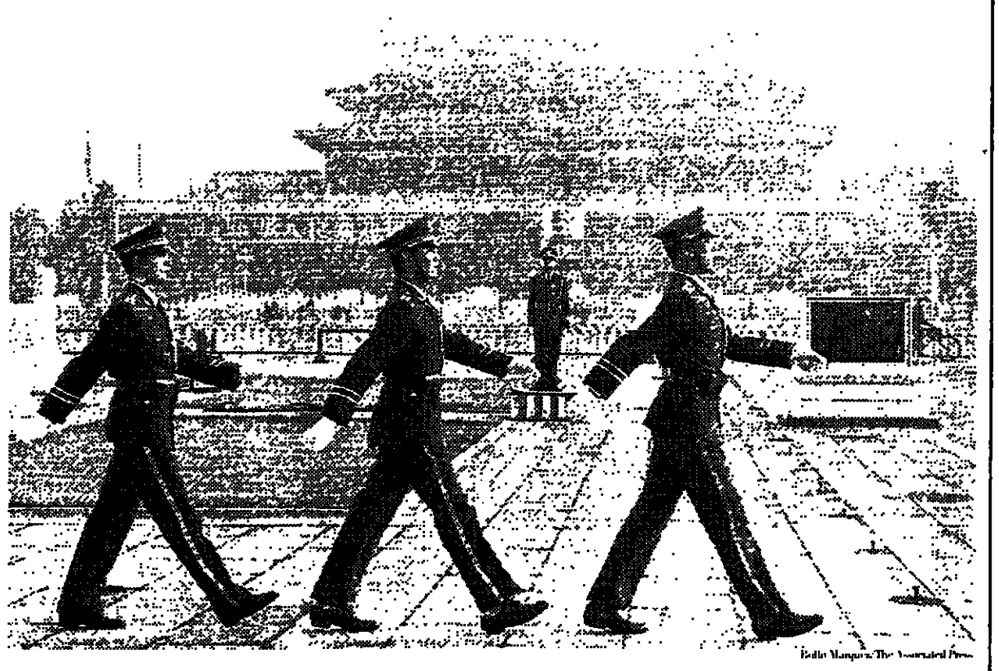
## *8 Years After Tiananmen, a Tale of Two Chinas*



A candlelight vigil Wednesday in Hong Kong, above, while security was tight in Beijing, below. Page 4.



# Jospin Fills Cabinet With a New Generation

## *Communists Given Transport and Sports*

By Joseph Fitchett
*International Herald Tribune*

PARIS — Prime Minister Lionel Jospin formed a Socialist-led government Wednesday that embraced the entire spectrum of the French left, including Communists.

Key posts went to prominent young Socialist politicians, including Dominique Strauss-Kahn as minister of finance, economy and industry, and Martine Aubry as minister of employment, whose brief is the top priority of the new government.

The Communists were given the transport and youth and sport portfolios.

Hubert Vedrine was named foreign minister, a sensitive post in the prime minister's potentially uneasy relations with President Jacques Chirac, whose Gaullist party was ousted by the Socialists in elections Sunday.

In the cabinet lineup, a particularly conspicuous absentee was Jacques Delors, a former finance minister and former president of the European Commission, whose presence would have been seen internationally as a gauge of economic moderation.

In particular, Germany sets store in his commitment to European integration.

Mr. Delors, 71, was not offered a ministry even though he had indicated willingness to join the cabinet, Socialist sources said.

Perhaps too independent for Mr. Jospin in the cabinet, Mr. Delors could still serve as a special troubleshooting ambassador, they said.

The new foreign minister, Mr. Vedrine, was the diplomatic adviser, then chief of staff, to the late President Francois Mitterrand, a Socialist, and served as the main liaison between Mr. Mitterrand and Mr. Chirac when the rightist was prime minister from 1986 to 1988.

Mr. Vedrine, along with Elisabeth Guigou, who was named justice minister in the new government, worked closely under Mr. Mitterrand to nurture French-German cooperation, negotiate

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Three ex-government ministers under investigation. Page 6.

# *NATO Fears Paris Re-entry Is Now Dead*

By Craig R. Whitney
*New York Times Service*

BRUSSELS — According to diplomats at NATO headquarters here, the election of a new Socialist government in France probably gave the coup de grace to President Jacques Chirac's offer at the end of 1995 to bring French officers back into alliance military structures that they left three decades ago.

"It would be a misreading of the situation to say that Chirac was in favor and the new government against," an authoritative NATO diplomat said.

"But after much debate and months of discussions, he has concluded that the Americans were not ready to give Europeans the increased command responsibilities he set as a condition of going back in."

The new Socialist prime minister, Lionel Jospin, said during his campaign for the legislative elections that his party won last Sunday that he thought Mr. Chirac and his conservative government had done a poor job of bargaining with the United States.

"He announced at the outset that France would go back in, giving up his best card at the beginning, and that was the best way to ensure that he would get nothing in return," Pierre Guidoni, Mr. Jospin's key foreign policy adviser, said recently.

A few months after Mr. Chirac said that France would subordinate its troops to the alliance if the United States agreed to restructure NATO and cede more power to Europeans, he made European control over the NATO Southern Command in Naples, where the U.S. Sixth Fleet is based, a key condition.

The White House, the State Department and the Pentagon, supported by many of Washington's allies in Europe, all turned him down.

Tempers flared at the end of last year but six months ago Mr. Clinton ordered U.S. officials to begin exploring pos-

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# *Murderous Rage of the Russian Army*

## Rampaging Killers, Hazing and Suicides Reflect a Military in Despair

By Lee Hockstader
*Washington Post Service*

MOSCOW — One of the more commonplace ways for Russian soldiers to die these days is not in the heat of battle or even in training mishaps. It is at the hands of a comrade-in-arms gone berserk.

In the past week alone, 16 Russian servicemen have been killed in two separate incidents, in each of which a soldier armed with an automatic weapon ran amok. In the past 15 months, at least 49 people have died in 14 reported instances of a soldier going on a rampage and killing officers, members of his unit or others.

The incidents constitute yet another measure of the degradation and demoralization of the Russian armed forces. The troops — poorly paid, led and fed — constitute a threat mainly to themselves, analysts say. Suicides, hazing, mistreatment of troops and killings have become so frequent that some newspapers no longer bother to report them on the front page.

When the newspaper Komsomolskaya Pravda requested a comment from the minister of defense, the paper was given the brush-off by the armed forces' chief spokesman, General Anatoli Shatalov. For the minister to make a public statement, the general said, "something more important has to happen." He said more people were killed in automobile accidents than in shooting sprees by soldiers.

Given the life that army recruits lead, and the growing violence in Russian society, many people here seem not to feel a need for explanations.

"It reflects the stress that the soldiers and the Russian Army are under, and in general the social stress of Russian society," said Pavel Felgengauer, a military analyst with the newspaper Segodnya. "Most of these killers are not seasoned officers going off the hook but young soldiers whose lives were already tough before the army."

He added: "When they get into the army, it's a case of double stress."

The Russian military, humiliated in Chechnya and forgotten at home, resembles a fighting force from a different and much earlier era. Conditions in the field often are primitive, particularly in comparison with those experienced by well-supplied Western armies.

Because of budget shortfalls and corruption, decent food is in such short supply that thousands of soldiers are underweight and some suffer from malnutrition. The daily newspaper Moskovskii Komsomolets, citing statistics from the military prosecutor's office, reported in January that many servicemen were receiving fewer than half of the daily calories they needed.

"Soldiers in most units haven't seen fresh meat, milk or eggs since summer and mostly subside on canned food," the newspaper said. "Even bread is becoming a luxury, as many units live on emergency rations."

Hazing is also a problem in the 1.5 million-member armed forces, and it is

See RUSSIA, Page 10


| Newsstand Prices | | | |
|---|---|---|---|
| Bahrain | 1.000 Din | Malta | 55 c. |
| Cyprus | C. £ 1.00 | Nigeria | 125,00 Naira |
| Denmark | 14.00 D.Kr. | Oman | 1.250 Rials |
| Finland | 12.00 F.M. | Qatar | 10.00 Rials |
| Gibraltar | £ 0.85 | Rep. Ireland | IR £ 1.00 |
| Great Britain | £ 0.90 | Saudi Arabia | 10.00 R |
| Egypt | EE 5.50 | S. Africa | R12 + VAT |
| Jordan | 1.250 JD | U.A.E. | 10.00 Dirh |
| Kenya | K. SH. 160 | U.S. Mil. (Eur.) | $ 1.20 |
| Kuwait | 700 Fils | Zimbabwe | Zim.$30.00 |

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# AGENDA

## UN Extends Iraqi Oil-for-Food Sales

UNITED NATIONS, New York (Combined Dispatches) — The Security Council agreed unanimously Wednesday to extend Iraqi oil-for-food sales for another six months despite complaints from both Washington and Baghdad about implementation of the program. The 15-member council refused Iraqi requests to increase the amount of oil it can sell to buy food and medicine for its people, who are suffering the effects of years of international sanctions.

But the council said it would look favorably on extending the program for a third, six-month period if there were no major problems during the second phase.

Iraq and China, meanwhile, on Wednesday signed an agreement to develop an Iraqi oil field in a deal worth more than $1.2 billion, the Iraqi oil minister, Amer Mohammed Rashid, said.

He said the agreement would come into effect on Thursday, but did not specify whether development work would begin before the lifting of the seven-year-old UN oil-and-trade embargo on Iraq. *(AP, AFP)*

| The Dollar | | |
|---|---|---|
| New York | Wednesday @ 4 P.M. | previous close |
| DM | 1.7288 | 1.7278 |
| Pound | 1.6332 | 1.6347 |
| Yen | 116.265 | 116.025 |
| FF | 5.8306 | 5.8255 |

| The Dow | | |
|---|---|---|
| change | Wednesday close | previous close |
| -42.49 | 7269.66 | 7312.15 |

| S&P 500 | | |
|---|---|---|
| change | Wednesday @ 4 P.M. | previous close |
| -5.37 | 840.11 | 845.48 |


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*HUNGARY*

The IHT on-line http://www.iht.com

*Ultra-Marathoning* / **Endurance of Pain**

# *Runners Who Go To Extreme Lengths*

By David Nakamura
*Washington Post Service*

WOODSTOCK, Virginia — Under a blue-black sky lit only by the sliver of a yellow moon, King Jordan wakes for his morning run at the foot of the Shenandoah mountains.

Mr. Jordan, 53, is the president of Gallaudet University in Washington, and he runs daily. What is different, however, is the lengths he will go for his runs, and the pain he will endure to finish them.

Over the next 24 hours, Mr. Jordan will throw up, lose a handful of toenails, sweat off up to five pounds (two kilograms) of his body weight and limp to the end with painful blisters on his feet.

On this early morning, in addition to his running shoes, cap, T-shirt and shorts, Mr. Jordan straps on a fanny pack carefully loaded with water, fruit bars, chocolate, Band-Aids, Vaseline, cotton swabs and other miscellaneous items.

Fully stocked, Mr. Jordan meets dozens of similarly outfitted runners at 4 A.M. at a barn on the county fairgrounds. They gather to begin an undertaking that can seem almost cult-like to outsiders, but one they consider simply the ultimate expression of a runner's will.

Eighty-eight men and women have come from all over the United States to try to run 100 miles (160 kilometers) in less than 24 hours in the Old Dominion Endurance Run.

These runners, who range in age from 19 to 66, have paid $125 apiece for this opportunity. They will run over steep hills and rocky trails and through dense forests.

The swiftest will approach a 10-minutes-per-mile pace and will finish in the evening. The majority will not complete the course until early the next morning in utter darkness — and in utter pain.

"People think it's crazy," said Mr. Jordan, who is the first deaf president of Gallaudet, a university for the deaf.

He chuckles, and joins the others at the starting line. The music from "Chariots of Fire" blares through a hastily constructed public address system, and the runners take off on a half-mile loop of the fairgrounds, then jog through the sleepy town before climbing the first steep, winding trail into the mountains.

There will be no prize money, even for the victors, and no national recognition. For their efforts, those who complete the challenge will be rewarded with an Old Dominion Run belt buckle — and they could not be happier.

Rich Lipski/The Washington Post

**Janice Anderson finishing seventh at the Shenandoah County fairgrounds.**

Rich Lipski/The Washington Post

**King Jordan reaching an aid station 64 miles into the 100-mile endurance run.**

ULTRA-MARATHONING is a rapidly growing sport born in the late 1970s after the initial running boom in the United States. Not satisfied with the standard 26.2-mile marathon, a group of runners founded the Western States 100 in Squaw Valley, California, in 1974.

The Old Dominion Run was started five years later by Pat Botts, now 57, and her husband, Wayne, now deceased.

"It's a challenge, being able to deal with whatever comes along," said Tom Green, 46, who was attempting to earn his 1,000-mile Old Dominion Run buckle, signifying 10 finishes under 24 hours. "You never know what's going to happen, what's going to go wrong."

Lots of things can go wrong. Last year, Lisa Smith, a 36-year-old from New Jersey, was leading the women's division when she got lost in the woods and needed an hour and a half to regain her way.

She dropped out at the 86-mile mark after urinating blood. Even Mrs. Botts, who developed the course, fainted one year during a steep, narrow portion of the trail.

Even though training matters — the runners run about 40 to 100 miles per week — experience does too, which is why 51 of the competitors are 40 years old or older.

Twenty miles into the race, at the first "aid station," where runners are permitted to get assistance from their support crews, James Garcia, 38, a mechanical engineer from Massachusetts, arrives first in 2 hours 40 minutes. Three minutes behind are Dan Barger, 31, of California, and Robert Youngren, 22, of Minnesota.

Aid stations are similar to a pit stop in car racing. Runners grab water, chips, cookies; they change shirts and shoes. They can even sleep if they so desire.

Mr. Jordan's wife, Linda, is working as his support crew along with Marcia Montgomery, whose husband, Al, also is competing.

By the 47-mile aid station, runners are beginning to drop out. Mr. Jordan reaches that mark around 2 P.M., approximately two hours behind the leaders, and throws up. He continues to have stomach problems until he reaches the 64-mile point, where his wife feeds him crackers, which settle his digestive system.

Mr. Montgomery is hours behind Mr. Jordan, and drops out at the 47-mile point.

The final 25 miles of the race are the toughest, beginning with Elizabeth Furance forest, where runners can team with a pacer for 11 treacherous miles. Mrs. Botts reaches that point suffering from a lack of sodium in her blood, causing her hands and feet to swell.

She is taken to Shenandoah Valley Memorial Hospital, where she will spend the night.

At sunset, Mr. Barger emerges from the mountains and finishes first in 17:04, an average of 10 minutes 14 seconds per mile. His time is two hours slower than the course record of 15:10 set by Eric Clifton in 1992, but it is a personal record by four hours for Mr. Barger.

Janice Anderson, 31, is the first female finisher, arriving at 10:25 P.M., for a time of 18:25. She is seventh overall and is followed by Lisa Smith and Martha Swatt, putting three women in the top 10.

IT IS DARK out again now. Mr. Jordan is still in the mountains. He has got a second wind. At midnight, he hardly stops at the final aid station, 10 miles from the finish. He has one final hill to climb, followed by a winding descent and a two-mile jog through town.

Finally, after 2 in the morning, Mrs. Jordan and Mrs. Montgomery cheer Mr. Jordan across the finish line with a time of 22:10, good for 19th place. His finish is 25 minutes slower than his personal record, but he has earned his fifth Old Dominion Run buckle.

"I think I would like to find a chair," he says, hobbling toward the barn. His legs are caked with mud. "I was lucky to finish as fast as I did. I was really sick."

In all, 40 runners complete the course within 24 hours, and 55 finish overall.

# More Evacuations For Sierra Leone

## *Negotiators Arrive in Freetown In Hope of Averting New Battles*

*The Associated Press*

FREETOWN, Sierra Leone — France and Ghana said Wednesday that they were continuing international efforts to rescue foreigners trapped by a military coup and avert a resumption of fighting as coup leaders showed no signs of relaxing their hold on this capital.

Ten days after ousting the civilian government, supporters of the coup leader, Major Johnny Paul Koromah, roamed the streets, machine guns slung over their shoulders, harassing drivers at roadblocks.

Soldiers were occupying the badly damaged Mammy Yoko Hotel, the scene of fierce battles Monday, and looting was reported throughout the city. Looters struck the residence of the elected president, Ahmed Tejan Kabbah, who fled to neighboring Guinea during the May 25 coup.

A Ghanaian delegation led by Victor Gbeho, deputy foreign affairs minister, and Ghana's military chief of staff, Seth Obeng, planned to begin negotiations Wednesday with Major Koromah's forces.

The delegation arrived in Freetown on Tuesday as U.S. Marines were conducting their third airlift of foreigners since the coup. The delegation's aim was to prevent a resumption of battles that broke out Monday after Nigeria, which backs the ousted government, launched an assault aimed at driving out Major Koromah.

The effort failed, prompting Nigeria to send in more troops Tuesday and raising fears of new bloodshed should diplomatic efforts fail. African heads of state meeting in Harare, Zimbabwe, for the annual Organization of African Unity meeting have given Nigeria's military efforts their backing.

Major John Milton, a spokesman for the ruling junta, told reporters that Major Koromah's forces had captured 30 Nigerians since Monday. He did not say where they were being held or why they were detained, and there was no confirmation from the Nigerian government.

Another military spokesman, Colonel Abdul Sesay, said later that the Nigerians had been released.

Despite international diplomatic efforts to restore calm in Freetown, foreigners have been fleeing by the thousands.

Ghana evacuated 1,000 of its citizens Tuesday, and a spokesman for the French Foreign Ministry, Jacques Rummelhardt, said two companies of French marines led a new operation to Sierra Leone on Wednesday to carry out more foreigners. He did not specify their nationalities, and further details were not available.

Nearly 500 Lebanese, evacuated on chartered boats, arrived in Beirut early Wednesday. They sailed from Freetown on evacuation ships, then flew out of Conakry, Guinea.

U.S. Marines on Tuesday airlifted more than 1,200 people — including 38 Americans — to the warship Kearsarge offshore. Since Friday, U.S. helicopters have ferried about 2,400 foreigners from the city.

## *German Prosecutors Urge Acquittal of Arson Suspect*

*Reuters*

LUEBECK, Germany — German prosecutors took the unusual step Wednesday of demanding an acquittal for a Lebanese man charged with starting a fire that killed 10 people, saying there was not enough evidence to convict him.

"The trial has not produced enough evidence to convict him," a state prosecutor, Michael Boeckenhauer, told the court. "Therefore the accused must be acquitted, even if that judgment wouldn't fit with the final truth."

The Lebanese man, Safwan Eid, has been on trial since September on charges of aggravated arson and causing bodily harm after a fire at a refugee hostel in January 1996 killed 10 people and injured 38.

Mr. Eid, who also lived in the hostel, has denied all charges. The defense still has to sum up its case before the judge delivers a final judgment.

The police arrested Mr. Eid, a civil war refugee, on suspicion of trying to get revenge in a petty quarrel with another resident. The fire killed six people from Zaire, a man from Benin, a Lebanese and a woman from Angola and her 6-year-old daughter.

Mr. Boeckenhauer said that despite the testimony of about 100 witnesses there was no exact information about how the fire started, although it was clear that the blaze broke out on the first floor of the hostel.

## TRAVEL UPDATE

### In-Flight Deaths Are on the Rise

LONDON (Reuters) — More airline passengers are dying from heart attacks and other medical emergencies than in plane crashes, New Scientist magazine reported in its issue for release Thursday.

Data from the Federal Aviation Administration show that the number of in-flight medical emergencies has soared in the past decade to 14,000 each year on the nine major U.S. airlines.

Overall, about 350 passengers a year die on board planes operated by U.S. carriers, while an average of 118 passengers a year have died in air crashes on U.S. soil since 1978.

### Thailand Moves to Bolster Tourism

BANGKOK (AP) — Thailand has started a campaign to double the number of tourists by the end of the decade by promoting shopping, Thai food and convention facilities.

The goal of the Tourism Authority is to raise the number of visitors from 7.2 million in 1996 to 17.1 million in 1999.

**Torrential rain soaked Mexico's Pacific coast** as a tropical storm packing 74-kilometer-per-hour (46-mile-per-hour) winds, headed toward land Wednesday. Mexican authorities closed some southern ports ahead of the storm, which was south of the resort of Huatulco, and moving east. *(AP)*

# Close Call, in Aviation Terms, for Clinton's Jet

By Don Phillips
*Washington Post Service*

WASHINGTON — The presidential jet, Air Force One, with President Bill Clinton aboard, was told to turn and climb as it approached the Irish coast on May 27 to avoid a United Parcel Service 747 freighter descending across its path several miles ahead, according to U.S. officials.

The president and his wife, Hillary, were not in danger as air traffic controllers at Shannon, Ireland, noticed the possible conflict, or converging paths, and told both planes to take evasive action.

Air Force One, flown by Major Jeff Krausert, also received a warning of possible conflict ahead from its automatic Traffic Alert and Collision Avoidance System shortly before controllers intervened.

But pilot union officials said there might have been a technical violation of minimum separation standards between the aircraft. The Independent Pilots Association, which represents parcel service pilots, made the incident public as part of an effort to persuade the Federal Aviation Administration to require freighter aircraft like the cargo plane to be equipped with collision-avoidance systems similar to the one aboard Air Force One.

In the incident, Air Force One was flying from Andrews Air Force Base near Washington to Orly airport south of Paris on the first leg of a European tour by Mr. Clinton. UPS Flight 6080 was flying from Cologne to Philadelphia.

A parcel service spokesman, Ken Shapero, said the two aircraft "were never on a collision course," and an Andrews Air Force Base spokesman, Major Jim Stratford, said the incident was "an example of how the system works."

Controllers did their jobs, Major Stratford said, adding that the president's pilots said there was never any danger.

The Air Force One pilots estimated three miles (five kilometers) of horizontal separation and 1,000 feet (300 meters) vertical separation between the two planes. The parcel service pilot, Dom DeVito, estimated the horizontal separation closer to two miles.

Under a new program allowing reduced vertical separation over the ocean, 1,000 feet would have been sufficient. But not all parcel service aircraft are certified for the program because they do not have newly calibrated altimeters.

Captain Fleet Smith, an investigator for the pilots union, said the union wanted to make the point that the collision-avoidance system works, and that it should have been aboard the parcel plane.

Mr. Shapero said the parcel service had been working on an advanced collision-avoidance system that will be more reliable and precise than the one aboard Air Force One.

### Correction

A caption supplied by The Associated Press and used on Wednesday's front page misidentified the subject of the picture it accompanied. The photograph showed Peggy Broxterman, whose son was killed in the Oklahoma City bombing.

## WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

**North America** Dry with some sunshine across the Northeast Friday and Saturday, but showers are possible Sunday. Turning cooler over most of the West; showers and thunderstorms are likely, even in the Southwest. Southern Texas to eastern New Mexico will have showers and thunderstorms.

**Europe** Warmer weather with some sunshine is in store for much of central Europe from Italy and Austria north across Poland and the Baltic region. Cloudy with showers across France, England and Spain; soaking rain is likely in southern England. Cool with showers in the Ukraine.

**Asia** Beijing will have some sun Friday, showers Friday night and Saturday, then turn cooler Sunday. Partly sunny in Seoul, but showers will arrive Sunday. It may shower in Tokyo early Friday, then some sun through Sunday. Humid with showers in Hong Kong. Still hot and dry in India.

**Europe**

| | Yesterday High C/F | Yesterday Low W C/F | Tomorrow High C/F | Tomorrow Low W C/F |
|---|---|---|---|---|
| Algarve | 21/70 17/62 r | | 23/73 17/62 pc | |
| Amsterdam | 26/77 17/62 pc | | 26/79 18/64 pc | |
| Ankara | 22/71 6/43 pc | | 24/75 7/44 pc | |
| Athens | 27/80 18/64 s | | 24/75 18/64 c | |
| Barcelona | 22/71 17/62 pc | | 28/79 19/66 pc | |
| Belgrade | 29/79 13/55 pc | | 27/80 11/52 s | |
| Berlin | 28/79 15/59 s | | 28/82 18/68 s | |
| Brussels | 24/75 17/62 c | | 28/79 19/64 pc | |
| Budapest | 25/77 13/55 pc | | 27/80 13/55 pc | |
| Copenhagen | 23/73 13/55 s | | 25/77 17/62 s | |
| Costa Del Sol | 21/70 17/62 sh | | 28/79 18/64 pc | |
| Dublin | 20/68 14/57 sh | | 18/64 12/53 sh | |
| Edinburgh | 19/66 12/53 c | | 19/66 13/53 r | |
| Florence | 28/79 17/62 t | | 27/80 17/62 pc | |
| Frankfurt | 29/79 13/55 pc | | 29/84 17/62 s | |
| Geneva | 23/73 14/57 c | | 26/79 16/61 pc | |
| Helsinki | 15/59 7/44 pc | | 21/70 9/48 s | |
| Istanbul | 24/75 13/55 s | | 24/75 14/57 pc | |
| Kiev | 19/66 9/48 pc | | 19/66 9/48 c | |
| Las Palmas | 24/75 20/68 pc | | 26/79 19/66 pc | |
| Lisbon | 21/70 18/64 r | | 21/70 14/57 r | |
| London | 21/70 14/57 r | | 21/70 15/59 sh | |
| Madrid | 18/64 10/61 t | | 27/80 14/57 c | |
| Mallorca | 21/70 18/64 pc | | 25/77 21/70 pc | |
| Milan | 25/77 17/62 sh | | 27/80 17/62 pc | |
| Moscow | 18/64 8/46 sh | | 20/68 10/50 pc | |
| Munich | 24/75 14/57 pc | | 28/79 16/61 c | |
| Nice | 19/66 16/61 r | | 22/71 18/64 c | |
| Oslo | 22/71 11/52 pc | | 23/73 10/61 c | |
| Paris | 23/73 13/55 r | | 28/79 17/62 pc | |
| Prague | 29/79 12/53 s | | 27/80 14/57 s | |
| Reykjavik | 9/41 -1/31 pc | | 4/39 -3/27 pc | |
| Riga | 17/62 9/48 s | | 21/70 11/52 s | |
| Rome | 24/75 15/59 c | | 23/73 16/61 pc | |
| St. Petersburg | 15/59 8/46 s | | 20/68 12/53 s | |
| Stockholm | 19/66 10/50 pc | | 22/71 12/53 s | |
| Strasbourg | 27/80 17/62 c | | 28/84 19/66 pc | |
| Tallinn | 14/57 7/44 pc | | 21/70 11/52 s | |
| Tbilisi | 25/77 13/55 r | | 24/75 16/61 r | |
| Venice | 23/73 17/62 r | | 28/79 18/64 pc | |
| Vienna | 25/77 13/55 s | | 28/79 14/57 s | |
| Warsaw | 23/73 11/52 pc | | 24/75 12/53 s | |
| Zurich | 26/79 14/57 c | | 27/80 17/62 pc | |

**Middle East**

| | | | | |
|---|---|---|---|---|
| Abu Dhabi | 34/93 | 19/66 s | 35/95 | 22/71 s |
| Beirut | 23/73 | 15/59 s | 23/73 | 17/62 s |
| Cairo | 35/95 | 19/59 s | 33/91 | 18/64 s |
| Damascus | 29/84 | 9/48 s | 29/82 | 13/63 s |
| Jerusalem | 27/80 | 10/50 s | 28/79 | 13/55 s |
| Luxor | 43/109 | 18/64 s | 43/109 | 18/66 s |
| Riyadh | 41/106 | 24/75 s | 43/157 | 23/73 s |

**North America**

| | Today High C/F | Today Low W C/F | Tomorrow High C/F | Tomorrow Low W C/F |
|---|---|---|---|---|
| Anchorage | 17/62 | 8/48 sh | 16/61 | 8/48 sh |
| Atlanta | 21/70 | 14/57 sh | 28/79 | 18/61 r |
| Boston | 20/68 | 11/52 pc | 17/62 | 11/52 pc |
| Chicago | 23/73 | 12/53 pc | 23/73 | 11/52 sh |
| Dallas | 30/86 | 18/64 s | 29/84 | 19/66 pc |
| Denver | 30/86 | 13/55 t | 28/79 | 9/48 t |
| Detroit | 24/75 | 13/55 pc | 20/68 | 12/53 sh |
| Honolulu | 29/84 | 23/73 pc | 29/84 | 23/73 pc |
| Houston | 33/89 | 18/64 s | 31/88 | 21/70 pc |
| Los Angeles | 24/75 | 13/55 s | 24/75 | 14/57 pc |
| Miami | 31/88 | 23/73 pc | 32/89 | 23/73 sh |
| Minneapolis | 28/79 | 13/55 s | 22/71 | 10/50 sh |
| Montreal | 20/68 | 13/55 c | 18/64 | 10/50 pc |
| Nassau | 30/86 | 24/75 t | 31/88 | 24/75 c |
| New York | 23/73 | 13/55 s | 22/71 | 13/56 pc |
| Orlando | 31/88 | 21/70 t | 31/88 | 22/71 pc |
| Phoenix | 40/104 | 22/71 s | 34/93 | 21/70 pc |
| San Fran. | 21/70 | 11/52 pc | 22/71 | 13/56 pc |
| Seattle | 19/66 | 10/50 pc | 21/70 | 12/53 pc |
| Toronto | 22/71 | 9/48 pc | 19/66 | 8/46 sh |
| Vancouver | 18/64 | 7/44 c | 21/70 | 11/52 pc |
| Washington | 23/73 | 13/56 s | 22/71 | 14/57 pc |

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

**Asia**

| | Today High C/F | Today Low W C/F | Tomorrow High C/F | Tomorrow Low W C/F |
|---|---|---|---|---|
| Almaty | 26/79 | 9/48 pc | 28/82 | 8/46 t |
| Bali | 32/89 | 21/70 s | 32/89 | 21/70 s |
| Bangkok | 32/89 | 24/75 sh | 32/89 | 21/75 sh |
| Beijing | 29/84 | 17/62 s | 23/71 | 20/68 sh |
| Bombay | 32/89 | 26/79 s | 32/89 | 26/79 s |
| Calcutta | 37/98 | 26/79 pc | 37/98 | 27/80 pc |
| Chiang Mai | 33/91 | 22/71 sh | 32/89 | 22/71 sh |
| Colombo | 29/84 | 23/73 pc | 29/84 | 24/75 sh |
| Hanoi | 33/91 | 26/79 c | 31/88 | 29/79 pc |
| Ho Chi Minh | 32/89 | 23/73 sh | 31/88 | 23/73 sh |
| Hong Kong | 30/86 | 26/77 c | 29/84 | 24/75 pc |
| Islamabad | 41/106 | 22/71 s | 41/106 | 23/73 s |
| Jakarta | 31/88 | 23/73 pc | 30/86 | 23/73 pc |
| Karachi | 35/95 | 24/75 s | 33/91 | 24/75 s |
| K Lumpur | 32/89 | 23/73 pc | 32/89 | 23/73 pc |
| K Kinabalu | 32/89 | 21/70 pc | 31/88 | 20/68 pc |
| Manila | 33/91 | 24/75 pc | 33/91 | 23/73 pc |
| New Delhi | 43/107 | 27/80 pc | 41/106 | 27/80 pc |
| Phnom Penh | 31/88 | 23/73 r | 31/88 | 23/73 r |
| Phuket | 32/89 | 24/75 sh | 32/89 | 24/75 sh |
| Rangoon | 33/91 | 24/75 sh | 32/89 | 24/75 sh |
| Seoul | 23/73 | 13/55 sh | 27/80 | 19/61 s |
| Shanghai | 31/88 | 22/71 s | 31/88 | 23/73 s |
| Singapore | 32/89 | 21/70 pc | 31/88 | 21/70 pc |
| Taipei | 29/84 | 24/75 t | 31/88 | 24/75 c |
| Tokyo | 24/75 | 18/64 s | 21/70 | 19/61 r |
| Vientiane | 32/89 | 26/79 c | 31/88 | 25/77 pc |

**Africa**

| | | | | |
|---|---|---|---|---|
| Algiers | 21/70 | 13/55 pc | 27/80 | 17/62 pc |
| Cape Town | 18/64 | 8/46 pc | 17/62 | 8/46 pc |
| Casablanca | 21/70 | 17/62 pc | 24/75 | 17/62 pc |
| Harare | 30/86 | 13/55 s | 29/84 | 13/55 pc |
| Lagos | 29/84 | 22/71 pc | 29/84 | 23/73 c |
| Nairobi | 24/75 | 13/53 c | 25/77 | 13/55 c |
| Tunis | 26/79 | 14/57 r | 29/79 | 14/57 s |

**Latin America**

| | | | | |
|---|---|---|---|---|
| Buenos Aires | 17/62 | 8/46 t | 13/53 | -1/31 c |
| Caracas | 32/89 | 24/75 pc | 30/86 | 25/77 c |
| Lima | 22/71 | 18/61 pc | 23/71 | 17/62 pc |
| Mexico City | 24/82 | 12/53 s | 25/77 | 13/55 c |
| Rio de Janeiro | 27/80 | 21/70 c | 26/79 | 18/64 pc |
| Santiago | 9/48 | -3/29 t | 11/52 | 3/37 s |

**Oceania**

| | | | | |
|---|---|---|---|---|
| Auckland | 14/57 | 7/44 pc | 13/55 | 7/44 pc |
| Sydney | 20/68 | 13/55 pc | 21/70 | 14/57 pc |

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*Printed by Newsfax International, London. Registered as a newspaper at the post office.*

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# Helms to Block Choice for Mexico Envoy

By Steven Lee Myers
*New York Times Service*

WASHINGTON — Jesse Helms, the chairman of the Senate's Committee on Foreign Relations, has indicated that he will block President Bill Clinton's choice to be the next ambassador to Mexico, Governor William Weld of Massachusetts.

Mr. Helms, Republican of North Carolina, whose committee clears ambassadorial nominations before the full Senate votes on confirmation, sharply criticized the choice in a television interview Tuesday.

"If they want a hearing on it, on that opening, on that ambassadorship, they ought to get somebody else," he said in an interview with Fox News Channel that was recorded for broadcast on Wednesday.

"Without a hearing, a nomination cannot move forward.

In particular, Mr. Helms cited the criticism of Mr. Weld by conservative Republicans in Massachusetts, who have long considered the governor too liberal because of his views on social issues such as abortion.

"I don't think that he is ambassador quality and neither do a great many of the conservarives and Republicans in the state of Massachusetts," Mr. Helms said.

"He's a little loose with his lips sometimes and that sort of thing," Mr. Helms added, without elaborating further. "I have nothing against him, but I don't think he ought to be ambassador to Mexico."

Elsie Amendola/The Associated Press

**Mr. Weld responding at the Boston statehouse to Mr. Helms's comments.**

The president's selection of Mr. Weld, a prominent, popular Republican who was considered a potential contender in the presidential race last year before he removed himself from the running, had been intended as a gesture of bipartisanship for a sensitive diplomatic post.

The U.S. relationship with Mexico — particularly over issues like trade, immigration and drugs — has been a repeated source of friction between the administration and the Republicans who control Congress.

When Mr. Weld's name first came up in April, the president's aides expressed hope that the governor might help win over his fellow Republicans.

Given that effort, the opposition from Mr. Helms caught the White House and the State Department by surprise, and, with Mr. Clinton's aides vowing to press ahead, appeared to be the opening of an intense fight for confirmation.

The opposition could also send ripples through politics in Massachusetts, since Mr. Weld has said he would step down to take the diplomatic post, clearing the field for the gubernatorial race next year.

While Mr. Clinton has not formally submitted Mr. Weld's name to the Senate for confirmation, he plans to go ahead with the nomination, said Michael McCurry, the White House spokesman.

"The president is convinced he would be a superb ambassador to Mexico," Mr. McCurry said in a telephone interview.

He noted that other Republican senators had expressed support for Mr. Weld, including Paul Coverdell of Georgia, John Ashcroft of Missouri and Phil Gramm of Texas.

In Boston, Mr. Weld appeared unfazed by Mr. Helm's opposition, pledging to meet the senator once his nomination became official.

"It's part of the process," he said at a news conference. "It's a long process. Everyone's got a role to play."

If confirmed, Mr. Weld would succeed Ambassador James Jones, who is stepping down. Mr. Weld, in the middle of his second term, lost a campaign last fall to unseat Senator John Kerry, a Democrat.

He previously served as assistant attorney general in charge of the criminal division under President Ronald Reagan, giving him strong law-enforcement credentials, which could help at a time when many of the nagging problems between Mexico and the United States involve drugs and crime.

He also speaks Spanish and has had a long friendship with the Clintons, having worked with Hillary Rodham Clinton in the House investigation of the Watergate scandal in 1974.

Mr. McCurry said the president had asked Secretary of State Madeleine Albright, who has developed a fairly close relationship with Mr. Helms, to meet with the senator "to see if we can address whatever concerns he might have."

# Murder of Time Warner CEO's Son Stuns N.Y.

By Dan Barry
*New York Times Service*

NEW YORK — Students of a public high school English teacher who rarely mentioned that his father was one of the most powerful executives in the business of communications mourned his death after he was found shot in his Manhattan apartment.

The police said the victim, Jonathan Levin, 31, had been bound at the feet, shot once in the head and stabbed in the chest.

News of Mr. Levin's murder sent waves of grief through the offices of the Time Warner media conglomerate, where his father, Gerald Levin, is chairman and chief executive, as well as through the boisterous hallways of William Howard Taft High School in the Bronx, where he was a beloved teacher.

At Time Warner, the president asked that the Levin family be allowed to mourn in private; at Taft High School, 80 students and teachers rushed to the school library for consolation.

The police had no suspects, though the fact that there was no sign of forced entry led investigators to think that Mr. Levin may have known his attacker. While some detectives interviewed acquaintances, others scoured for clues in his one-bedroom apartment at 205 Columbus Avenue, an unassuming, four-story building that shares sidewalk space near West 69th Street with a cafe, an Irish bar and a locksmith shop.

Friends said that this middle-class pocket, in the midst of an affluent neighborhood, befitted the style of Mr. Levin, who lived amid piles of magazines and wicker furniture with Julius, a stray dog he had adopted several months ago. Richard Veloso, a graphic designer who discovered the body, said that he had lived next door to Mr. Levin for six years. Yet it was not until after his neighbor's death that he learned of the wealth and prominence of Mr. Levin's father.

One friend, a teacher, Matthew Dwyer, said Mr. Levin seemed determined to make his own way. "He wanted to be his own man," Mr. Dwyer said. "Although he was close to his father, and respected and loved him a great deal, he didn't want to be known as his father's son."

The discovery of Mr. Levin's body on Monday night came after several days of concern among friends who knew him as diligent and responsible.

Jonathan Levin received degrees in English and psychology from Trinity College in Hartford, Connecticut, in 1988, then worked for a travel-insurance company. All the while, friends say, he wanted to do something more with his life, and that was to teach.

After graduating with a master's degree in 1995 from New York University's School of Education, friends said, he landed a full-time teaching job at Taft High School, a gray box of a building where students have to walk through a metal detector to get to class. He was an immediate hit.

In addition to being handsome, students said, he had the ability to make them see beyond their dreary surroundings to appreciate the art of literature. Nick Carraway, a character in the novel "The Great Gatsby," came alive, they said, as did Lennie and George from "Of Mice and Men." He arranged a class trip to see the movie version of "The Crucible," took students to baseball games and sometimes treated them to dinner at restaurants in his neighborhood.

A few weeks ago, while assigning students to write their autobiographies, Mr. Levin revealed that his father was the chief executive at Time Warner. "I asked him what he was doing here if he had money," said one student, Keisha Montanez. "He said it wasn't his money; it was his father's money."

# Army's Hunt for Misconduct Picks Up Pace

By Dana Priest and Jackie Spinner
*Washington Post Service*

WASHINGTON — The U.S. Army's aggressive effort to rid its ranks of serious sexual misconduct like rape is now ensnaring officers guilty of milder wrongdoing, like adultery, that would otherwise have gone unnoticed, unpunished and certainly unpublicized.

"People are asking themselves, 'How far is this going to go?' " said a senior official at the Pentagon who, like others interviewed for this article, asked not to be identified. "There is no answer. The system is overcompensating here."

Having solicited any and all allegations of misconduct in the wake of sexual assault and rape charges at the Aberdeen training base in Maryland, army officials now say they do not know how to turn off the spigot.

Nearly 1,300 calls have come into a new army hot line alleging sexual misdeeds large and small, and Pentagon officials said the rank and file felt emboldened to report misdeeds they would not have divulged before.

Last week, the army relieved a one-star general, Stephen Xenakis, who commanded the army's southeastern medical region, for allegedly having an "improper relationship" with a civilian nurse who was caring for his seriously ill wife.

The navy relieved Rear Admiral R. M. Mitchell Jr., head of its 10,000-employee supply command, while investigating charges he repeatedly made advances to a subordinate.

On Monday, Major General John Longhouser, the commander at Aberdeen who oversaw the courts-martial there of sexual offenders, retired prematurely at a reduced rank after admitting he had had an adulterous relationship with a civilian woman five years ago, while he and his wife were separated.

These incidents followed the highly publicized case of First Lieutenant Kelly Flinn of the air force, the first woman in the nation to become a B-52 bomber pilot.

Although she was charged with several crimes, including lying and disobeying an order, her case drew attention primarily because she was also charged with adultery. Ms. Flinn, who is single, avoided a court-martial after agreeing to leave the service without the honorable discharge she had sought.

Adultery is a crime in the military, but it has rarely been prosecuted unless the service member also is accused of other, related crimes. In practice, the services have allowed those who commit adultery to receive administrative punishment, which is short of a court-martial, or to quietly leave the service with some financial penalty.

On Tuesday, General Longhouser, a decorated Vietnam veteran with a stellar career, issued a painfully personal statement acknowledging his adultery but noting that he had rebuilt his marriage after the affair: "Karen and I reconciled our differences, and I informed her of this relationship. Today our marriage is as strong as ever, and Karen is my best friend as well as a loving and loyal wife."

While army officials are discussing among themselves how far the inquiries will go and how far back in time investigators will reach, Defense Secretary William Cohen made clear Tuesday that he thought the Pentagon was taking the right approach.

"If we start to tolerate a breach of standards, or if we start to lower the standards," Mr. Cohen said, "then that will have a vast and pervasive impact upon the military nationwide."

Asked about General Longhouser, Mr. Cohen said: "It's another example of someone who failed to measure up to those standards. He has an extraordinary career, and he should be very proud of that career."

"But we insist," he added, "upon maintaining the standards."

The hot line set up at the Aberdeen Proving Ground has played a significant role in the surge of sexual misconduct cases.

The army's Criminal Investigation Command is pursuing 339 pending charges that arose from information gathered on the hot line.

An additional 328 allegations — considered serious, but not criminal — have been forwarded to base commanders and offices of the army's inspector-generals.

About one-third of those cases go back to 1995. Another third involve allegations that happened from 1984 to 1995 and an additional 26 percent date from 1951 to 1985.

The hot line was the source of the original tip on General Longhouser.

Army officials said General Longhouser's case would not affect the sexual misconduct cases he has been involved in.

His replacement, Major General George Friel, they said, will review the cases as a matter of course, anyway.

But defense attorneys are certain to try to make an issue out of this development.

## POLITICAL NOTES

### Clinton's New Tack On Finance Reform

WASHINGTON — After months of inaction on Capitol Hill, President Bill Clinton plans to try another route to campaign-finance reform by petitioning the Federal Election Commission to outlaw the limitless contributions known as "soft money" that have powered both major political parties in recent years.

White House aides said the petition would be filed in the next few days as the president begins to focus more attention on an issue that had been largely ignored while the White House and Congress hammered out a plan to balance the budget.

While not as comprehensive as the White House-supported legislation languishing in Congress, a regulatory ban on soft money would attack what reform advocates consider one of the prime areas for abuse in the modern-day financing system.

Under the current rules, donors can get around limits on gifts to individual candidates by sending as much money as they want to Democratic or Republican party committees. Such money is supposed to be used for generic "party-building" purposes. But that definition has been stretched to include a broad spectrum of activities benefiting specific candidates, including a multimillion-dollar television advertising campaign, ostensibly promoting the Democratic agenda, that was orchestrated by the White House to help re-elect Mr. Clinton last year.

During the last election cycle, the two major parties raised a record $262 million in soft money. Advocacy groups charged that the parties broke the law in the way they spent it. *(WP)*

### White House Access

WASHINGTON — A high-ranking Department of Energy official interceded with a National Security Council official on behalf of a Democratic donor, Roger Tamraz, after Mr. Tamraz discussed his proposal for a foreign oil pipeline with President Bill Clinton, administration officials said.

Despite warnings about allowing Mr. Tamraz into the White House, Mr. Clinton and Thomas McLarty, who was chief of staff at the time, met with him at fund-raising events in the executive mansion in the spring of 1996.

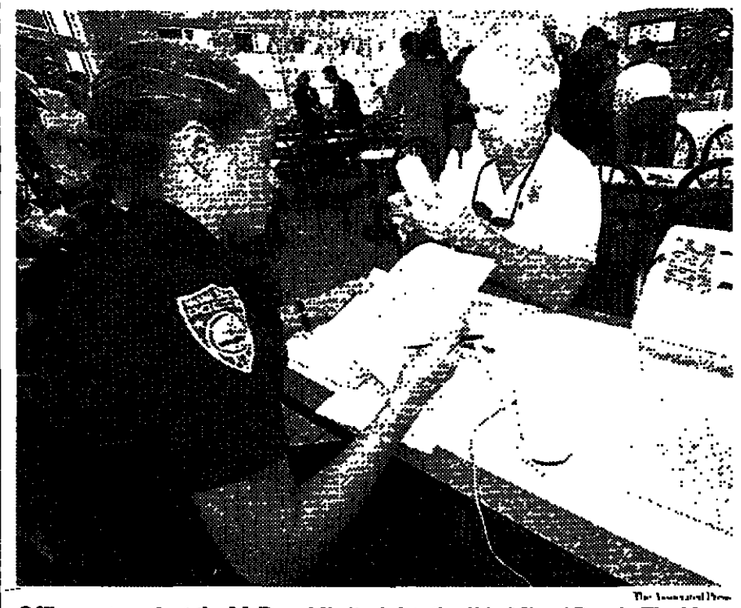
Mr. McLarty subsequently asked the Energy Department if the administration could be more supportive of Mr. Tamraz's proposed pipeline, which would carry oil from the Caspian Sea to Turkey, one administration official said.

Mr. Tamraz, an oil financier, had several meetings at the White House after presidential aides recommended that he be denied access, the officials said.

The recommendations were made because of suspicions that he was misrepresenting his relationship with White House officials to potential business partners. *(WP)*

### Quote/Unquote

State Senator Jim McGreevey of New Jersey, who voted for the 1990 tax increase that doomed the state's last Democratic governor, after winning the party's primary to challenge Governor Christie Whitman: "Fiorello LaGuardia used to joke there isn't a Republican or Democratic way to fill a pothole. I know how to get things done." *(AP)*



The Associated Press

**Officers at work at the McDonald's "ministation" in Miami Beach, Florida.**

### Away From Politics

• **Police officers in Miami Beach, Florida,** can now stop by a McDonald's restaurant to fill out reports and make phone calls without traveling back to their station. The restaurant, owned by a former policeman, has reserved a table and phone for the officers. *(AP)*

• **An FBI assault team vehicle** with guns, ammunition and other gear, was stolen from a parking lot in Memphis, Tennessee, and was discovered abandoned and burned with the weapons and gear missing. *(NYT)*

• **The Boy Scouts of America** does not have to admit a 13-year-old girl who wants to join her twin brother's troop, a California state appeals court ruled. The court said the organization was not a business and therefore not subject to the same laws on discrimination. *(AP)*

• **A serial rapist convicted of murdering a** Houston woman in 1986 was executed by injection at the Huntsville State Prison in Texas. The rapist, Kenneth Harris, 34, was sentenced to die for the murder of Lisa Stonestreet, a legal secretary. *(Reuters)*

• **Nearly 4 out of every 10 doctors** disciplined by medical boards for sexual misconduct continue to practice medicine, a consumer advocacy group said. A survey by Public Citizen's Health Research Group examined 542 doctors who were disciplined for sex-related offenses since 1981. Of that group, 39.9 percent were licensed to practice in the region in which they were disciplined. *(AP)*

## AMERICAN TOPICS

### Hands Off the Barbecue!

Sure, Americans want clean air. But woe unto the bureaucrat who even thinks of messing with their barbecues.

A proposal under final review at the Environmental Protection Agency and the White House, which would regulate microscopic soot for the first time, would not have attracted much attention if it applied only to factories, industrial plants and coal-burning power plants. In fact, it does. But somehow the message got skewered.

Word has been going around that the EPA would ban backyard barbecues. The reaction has been hot and smoky. Not only have newspaper commentaries blasted the idea, the Michigan House approved a resolution ordering federal bureaucrats not to restrict the use of barbecue grills.

The EPA and state environmental officials are doing their best to reassure the barbecuers of the land. "There are a lot of things we would look at before we went to that extent," a Michigan official said.

Environmentalists say the barbecue talk is a scare tactic to divert attention from industrial polluters, which release 23 million tons of volatile organic compounds a year. All the barbecues in the nation release just 14,500 tons.

### Short Takes

**During the Depression,** Harold Englehardt went from farm to farm to raise money to start a bank in Lowell, Michigan. As the bank's president, he made deals on a handshake, dressed up as Santa Claus at Christmas and passed out Halloween candy in a top hat. Everyone suspected he was wealthy and knew he was generous, but not this wealthy or this generous: At his death in April at age 96, he left $12 million, the bulk of his estate, to the western Michigan town of 4,000.

**Fast-Thinking Victim Dept.:** When a man drove up next to Myko Kona not long ago in Redondo Beach, California, and exposed himself, she kept her cool. She snapped his picture. He tried to grab her, but she ran behind his van to photograph the license plate. There was none. He tried to back over her. She ran to the front, and snapped a shot of that license plate before diving into bushes and escaping. The police developed the film and within hours arrested Jimmy Jewell, 33, on charges of assault with a deadly weapon (the van) and indecent exposure. He pleaded guilty.

*International Herald Tribune*

# Feminist Assails Clinton For Threats in Jones Case

By Neil A. Lewis
*New York Times Service*

WASHINGTON — The National Organization for Women has criticized President Bill Clinton and his lawyers for threatening to make an issue of Paula Jones's sexual history if she proceeds with her lawsuit against him for sexual harassment.

Patricia Ireland, the president of NOW, said in an interview that Ms. Jones's personal history was irrelevant in determining whether her allegations against Mr. Clinton were true. She said it would be offensive for Mr. Clinton and his lawyer, Robert Bennett, to try to prevent Ms. Jones from going forward with her lawsuit by threatening to damage her reputation.

More important, Ms. Ireland said, was the danger that Mr. Clinton might alienate women who have seen him as a supporter of feminist issues. "Although he cannot run again," she said, "he is, after all, the first president to have been elected with such crucial support from women, and his natural constituency is going to be turned off by these kinds of attacks and warnings."

Ms. Ireland's comments followed an exchange Sunday between Mr. Bennett and Ms. Jones's lawyers on potential tactics in a trial, should one be held. The tactics included the possibility of exposing more details about the sexual lives of each other's clients.

Ms. Jones has charged that Mr. Clinton violated her civil rights while he was governor of Arkansas by sexually harassing her and damaging her reputation. She has claimed that in 1991 she was taken by a state trooper to a hotel room where Mr. Clinton made a crude sexual advance.

Mr. Clinton has denied the charges, and Mr. Bennett said that the president would not apologize to Ms. Jones to settle the suit because he was adamant that the episode she had described did not happen.

Ms. Jones's lawyers have said that to prove their case they would probably seek testimony from other women who may have been sexually propositioned by Mr. Clinton.

In response, Mr. Bennett said Sunday that such a tactic was a two-edged sword and that Ms. Jones could put her reputation at risk if she pursued it.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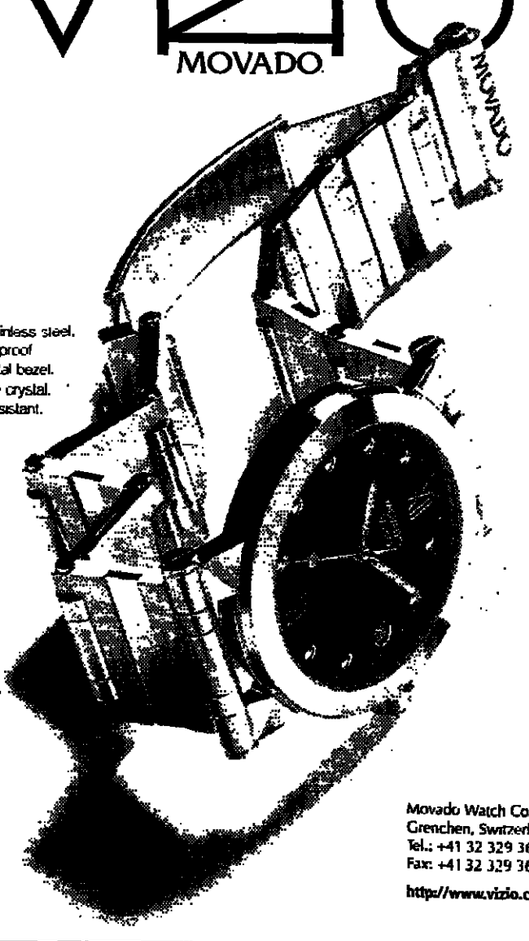

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ASIA/PACIFIC

# China's Prison Labor System Sounds a Lot Like Florida's

By Paul Blustein
*Washington Post Service*

WASHINGTON — Horror stories are surfacing anew about the Chinese prison labor system and the sale of its products in the United States. But consider what is happening to the 64,000 convicts in the Florida prison system:

Prisoners are required to work — or face punishment. Most inmates, even ones digging ditches on chain gangs, are paid nothing. Moreover, some of the products they make, like boots and license plates, are exported to foreign countries.

Therein lies a question: Because inmates in many U.S. prisons are obliged to work, do Americans have the right to condemn China's prison labor practices?

The question arises because China's "reform through labor" penal system, known in Chinese as *laogai*, is becoming a hot issue in Congress and the press amid the mounting debate over whether Beijing should be allowed to retain its trading privileges. Senate and House committees held hearings May 21 and 22 on allegations that goods made in Chinese prisons are being imported into the United States in violation of U.S. law and a U.S.-China agreement. Among those offering testimony about

**NEWS ANALYSIS**

how easy it is to buy goods made by convicts was Harry Wu, a former inmate laborer who has gained worldwide fame for returning to China to document its "prison economy."

This is generating potent ammunition for critics of U.S. trade with China, who contend that Beijing is profiting from the toil of people railroaded into working cruelly long hours under appalling conditions. Television advertisements being readied by the Family Research Council, a group seeking to overturn China's most-favored-nation trade status, accuse Beijing of employing "slave labor."

But some academic experts call this argument a classic example of hyping an issue to advance a political agenda.

"Harry Wu and others have tried to stir up a great controversy about how goods made by forced labor are flooding into our market," said James Feinerman, a professor of Asian Legal Studies at Georgetown University.

"But in fact, it's only a tiny fraction of all Chinese goods. And it seems to me to be the height of hypocrisy for us to get on our high horse about China making its prisoners work, given the fact that we do the same thing with our prisoners."

The importation of goods made in Chinese prisons, while against U.S. law, should be a "non-issue because the amounts are so small," said James Seymour, a senior research scholar at Columbia University whose book on Chinese prisons is scheduled to be published shortly.

Although the precise amount is impossible to determine, Mr. Seymour's book cites Chinese economic data indicating that the output of prisons constitutes less than one-fifth of one percent of total Chinese production. The U.S. federal prison system, and many state prison systems, requires all able-bodied inmates to work. Those who refuse typically are deprived of privileges or sent to higher-security institutions.

Pay is far below minimum wage — 12 cents to $1.15 an hour for federal inmates, and less than that in many state systems. So their products usually are barred from sale except to government agencies. But, while the law prohibits importing prison-made goods and restricts their sale across state lines, there is no law barring their export. At least three states have exported at least small amounts of goods.

In China, the case of Chen Pokong, a 33-year-old visiting economics scholar at Columbia University who spent five years as an inmate, illustrates what many experts find most troubling about the penal system — the extensively documented evidence that prisoners often are treated brutally.

Mr. Chen, who said he was sentenced in 1989 for helping to lead a student democracy movement in the southern province of Guangdong, said he spent two years in one facility where prisoners were forced to carry heavy stones for eight hours to load on ships.

"Then, until midnight, we made artificial flowers; sometimes we had to work through the night," he said.

"If you collapsed before you finished the quota, you were heavily beaten."

Mr. Seymour said some of the prisons he researched for his book were "totally inhumane," while in others, "conditions were much better." Prisoners generally received some paltry wage, he said.

But repugnant as conditions in Chinese prisons might seem to many, Mr. Feinerman said, they are based on a decision by the Chinese authorities "to make offenders pay a harsh penalty, on the theory that it scares people so they won't come back into the prison system."

"You can argue that it works," he said. "They have very low rates of recidivism. Who are we to argue with their choices?"

# Hong Kong Remembers The Victims Of Tiananmen

By Edward A. Gargan
*New York Times Service*

HONG KONG — A sea of people sequined by pinpoints of candlelight gathered Wednesday evening in defiance of both China and its appointed ruler for the territory to commemorate the massacre of hundreds of unarmed protesters in and around Tiananmen Square on June 4, 1989.

Bathed in waves of song and silence, more than 55,000 people — teachers and preachers, engineers, students, social workers, taxi drivers and bankers — assembled in Victoria Park in what may be Hong Kong's last memorial to the victims of the Tiananmen massacre.

On July 1, this 156-year-old British colony of 6.3 million people returns to Chinese sovereignty and to rule by Beijing's appointee, Tung Chee-hwa, a shipping magnate who has little patience for public protest or dissent.

On Monday, Mr. Tung, who has announced plans to curtail Hong Kong's civil liberties, including new restrictions on the right to stage public protests, urged Hong Kongers to "put aside the baggage of June 4."

"It is important to put the baggage down to move on with building the country," he told local radio and televisions Monday. "In the last 8 years, China has had many reforms, and it has achieved a lot. It is obvious that social stability helps China's development."

But Wednesday evening, in the vast crowds seated in a seemingly endless furrows on soccer fields of Victoria Park, Mr. Tung's admonitions were ignored.

"I am here to remember those who were killed," said Chan Mei, a high school teacher. Cradling her two-year-old daughter in her lap, Ms. Chan said she also came because it may be the final memorial to those killed.

"This may be the last time," she explained. "For me, it's more of an emotional thing rather than political. I don't know if everyone sees it this way, but there are things we want to achieve, freedom and democracy. But after July 1, we don't know."

**■ Tight Security in Beijing**

Tourists posed for snapshots as plainclothes policemen kept close watch on Tiananmen Square on Wednesday, The Associated Press reported from Beijing. Wary that any trouble could foul Hong Kong's July 1 transition to Beijing's rule, Chinese authorities maintained tight security in the capital.

## BRIEFLY

### Saudi Pilot Lands In Trouble in India

NEW DELHI — A Saudi pilot who landed his jumbo jet with 344 passengers at an Indian military airbase faces criminal charges, officials said Wednesday.

A police official, C. K. Gandhirajan, said the pilot has been charged with criminal trespass, causing damage to the airstrip and irresponsible flying.

The pilot landed the Boeing 747 at Tambaram, a tiny military airstrip near Madras, on Monday after mistaking it for the main Madras airport. The plane and the airfield were damaged, but the passengers and crew were unhurt.

Indian aviation authorities said it would be difficult to remove the plane from the airstrip. They have contacted Boeing Co. in the United States to suggest ways to get the plane airborne. *(AFP)*

### Golkar Wins Re-Vote On Indonesia Island

SAMPANG, Indonesia — Indonesia's ruling Golkar party won a re-vote on Madura island Wednesday, days after Muslims burned ballot boxes claiming fraud in the general elections last week.

The Sampang Regency head, Fadhilah Budiono, said Golkar won 58 percent of ballots cast at the 65 polling stations where the vote was held on the isle off East Java. The Muslim-backed United Development Party, whose supporters rioted after the May 29 poll on reports of a Golkar sweep, took 41.1 percent of the re-vote, while the other legal party, the Indonesian Democratic Party, won 0.9 percent. *(Reuters)*

### Downpour Leaves Hong Kong in Chaos

HONG KONG — Heavy rain plunged parts of mainland Hong Kong into chaos Wednesday, killing a child in a mudslide. Floods disrupted traffic, and schools and courts had to close.

A mudslide in Kwai Chung in the rural New Territories area ploughed into a wooden hut where a family of six was living. Firemen rescued five, but a 4-year-old boy died. Roads were blocked and cars damaged as mudslides brought trees skidding down. *(Reuters)*

### For the Record

**Three Indian soldiers** were killed and three wounded Wednesday in a landmine explosion by guerrillas in Kashmir, the police said. *(Reuters)*

An **Indian judge** dropped charges Wednesday against former Prime Minister P. V. Narasimha Rao in a forgery trial, one of three criminal cases which had forced him to quit last year as Congress (I) Party leader, his lawyer said. *(Reuters)*

Patrick de Noirmont/Reuters

**An Indonesian official displaying an empty ballot box Wednesday before the voting on Madura Island.**

# India Denies Deployment of Missiles

*Compiled by Our Staff From Dispatches*

NEW DELHI — India on Wednesday denied a U.S. report that it had deployed medium-range ballistic missiles along its border with Pakistan.

"Prithvi missiles have not been deployed along the international border," a Defense Ministry spokesman said.

The ministry said Tuesday that it had no information on the Washington Post report.

The government of Pakistan warned that the deployment of medium-range ballistic missiles near its border could trigger a "dangerous" arms race and prompt Pakistan "to take necessary measures to safeguard its security."

The Washington Post report said that U.S. intelligence officials believed the Indian Army had moved a handful of Prithvi missiles from a manufacturing plant in southeast India to a site near the city of Jullundur in northwest India.

The State Department declined to comment directly on the report. But the department spokesman, Nicholas Burns, said, "We are working with the governments of India and Pakistan to prevent a deployment of ballistic missiles by either country." *(Reuters, WP)*


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# Britain's Job Plan for EU

## *Brown to Urge Flexibility in Labor Market*

*Reuters*

LONDON — The chancellor of the Exchequer, Gordon Brown, outlined what he called an employment plan for Europe on Wednesday and promised to make it a central theme of Britain's presidency of the European Union next year.

Mr. Brown said he would push the three-point job-creation plan at next week's regular meeting of EU finance ministers.

On the issue of the planned single European currency, he told reporters that the government's policies were unchanged. Britain will maintain its "wait-and-see" approach, acknowledging that there are big obstacles to joining the first round of countries in the monetary union, he said.

Fresh uncertainty is clouding the currency plan after the Socialist victory in the French elections Sunday and the German central bank's victory this week in blocking Bonn's proposal to revalue gold reserves to help it qualify for the single currency.

Mr. Brown's employment plan aims to create jobs by increasing labor-market flexibility across Europe. It also proposes a new task force to help small companies create jobs and to push for completion of the single European market.

He said he would raise these proposals with other EU finance ministers at a meeting in Luxembourg on Monday. "We intend to make this a key theme of our presidency of the G-8 and of the European Union," he said.

Britain takes up the presidency of the G-8 — the Group of Seven leading industrialized countries plus Russia — and of the EU in January. Mr. Brown said he would be looking for concrete results by the end of Britain's EU presidency a year later. The EU and G-8 presidencies rotate among member nations.

Mr. Brown proposed a more involved European role for Britain than under the previous Conservative government, saying his plan was the first EU initiative by a British administration in 10 years, though he added that this did not signal a willingness to give up Britain's veto over key issues.

"No longer should the British government sit on the sidelines of Europe," he said.

For too long, he said, the EU debate has been directed only at the single currency, scheduled to start in January 1999, and he suggested that now was the time to widen the discussion to include jobs.

Improving education and raising workers' skills, as well as reducing the burdens on business, are the best ways to promote growth and reduce unemployment, he said.

"This is the new economic agenda," Mr. Brown said. "It enables us to benefit from flexible labor markets while ensuring that everyone can share in the rewards of a more dynamic economy."

Paulo Cuoco/Reuters

**Pope John Paul II praying in Poznan during his tour of Poland, his homeland.**

# Pope Urges Poland To Ban Abortion

*The Associated Press*

KALISZ, Poland — Stepping again into Polish politics, Pope John Paul II said Wednesday that post-Communist Poland should outlaw abortion not just on religious grounds, but as a matter of human rights.

"The right to life is not a question of ideology, not only a religious right — it is a human right," the Pope told a receptive crowd of 150,000 in the main square of Kalisz, a town in central Poland famous for a 17th century picture of the Holy Family in the St. Joseph sanctuary.

Referring to his condemnation of abortion last October — "A nation which kills its own children is a nation without a future" — the Pope added: "Believe me, it was not easy to say that, especially thinking about my own nation. I desire a future for it, a great future."

Having played a crucial role in toppling Poland's Communist regime in 1989, the Pope has not shied away from criticizing what he sees as the flaws of the new capitalist system during his 11-day tour that started Saturday.

After four decades of abortion on demand under communism, Poland's Solidarity-led government passed a near-total ban in 1993, with exceptions only in cases of rape or incest or if the fetus was irreparably damaged or the mother's life endangered.

The law was liberalized last year, after the former Communists gained power, to allow abortions until the 12th week of pregnancy for women deemed to have financial or emotional problems.

But last week, Poland's highest court said financial or emotional difficulty was not a strong enough reason to deny the right to life. Parliament now has six months to either overturn the ruling with a two-thirds' vote, or amend it to comply with ruling.

# *Austrian Chief Denies Aiding 2 Iranians*

*Reuters*

VIENNA — President Thomas Klestil, responding for the first time to allegations he pulled strings to allow suspected Iranian assassins to flee Austria, insisted Wednesday that he had nothing to hide.

"I am in favor of putting all the documents on the table," Mr. Klestil told the Austrian news agency APA as he flew back from an official visit to Spain. "I have nothing to conceal."

Mr. Klestil was a senior official in the Foreign Ministry in 1989 when the Iranian Kurdish leader Abdorrahman Qasemlu and two other activists were killed in a Vienna apartment, apparently by Iranian hitmen.

"I did not try to influence the decisions of the Interior and Justice ministries," Mr. Klestil said.

"All those involved know that and the papers prove it."

He rejected claims that he had exerted pressure on the other two ministries to drop the case. Former President Abol-Hassan Banisadr of Iran, along with a former Austrian diplomat, alleged that Austria, fearing retaliation from Iran, allowed two of the three Iranian suspects to flee.

Warrants for their arrest were only issued when they were outside the country.

Opposition parties have called for a parliamentary inquiry into the matter. On May 22, they began a 20-day boycott of parliamentary business to protest the government's use of its majority to block their request.

Chancellor Viktor Klima's Social Democrats and its junior coalition partner, the People's Party, have argued that a report prepared by the Interior, Foreign and Justice ministries exonerates politicians of any wrongdoing.

Mr. Klestil, a member of the conservative People's Party, has yet to say whether he will run for re-election next year.

## BRIEFLY

### *Holbrooke Is Called the Choice For U.S. Ambassador to Cyprus*

WASHINGTON — Hoping to ease tensions in the Aegean, President Bill Clinton has chosen Richard Holbrooke, a high-profile diplomat, to be his envoy to Cyprus, administration officials said Wednesday.

Mr. Holbrooke helped negotiate an end to the civil war in Yugoslavia and was on Mr. Clinton's short list for secretary of state and United Nations ambassador in 1996.

His selection signals the administration's intention to make the complex, 21-year-old division of Cyprus a top agenda item for Secretary of State Madeleine Albright, said two administration officials.

Mr. Holbrooke, 55, the diplomat credited with negotiating the Dayton peace accords for Bosnia, left the administration last year amid unusual fanfare to work as an investment banker in New York. *(AP)*

### *Impatience on Eurofighter*

BONN — Leaders of the German aerospace industry threatened Wednesday to pull out of the troubled Eurofighter defense project unless the Bonn government gives a firm go-ahead by July.

"Our patience is at an end," said Hans Eberhard Birke, head of the Association of German Aerospace Industries. "If the indecision continues, the industrialists will pull out of the program in July.

"The industry cannot continue forever pumping millions of its own funds into the preparation of a series without getting the slightest reassurance that the program will go ahead," he added at a news conference. *(AFP)*

### *Italian Presidency Reform Plan*

ROME — Italy moved a step closer Wednesday to electing its president directly, a reform that could strengthen the executive and make the country more governable.

A 70-member parliamentary committee working on constitutional reforms voted to make a "semipresidential" system one of its recommendations. The elected president would govern along with a prime minister from the parliamentary majority.

Currently, Parliament chooses the president. The post is largely ceremonial, though the president can dissolve Parliament and names the prime minister — usually the head of the dominant party or coalition.

The committee rejected a competing proposal for the direct election of the prime minister, which many of the leftist members had favored. *(AP)*

### *D'Amato Warns on Bank Guard*

WASHINGTON — Senator Alfonse D'Amato, Republican of New York, said Tuesday that Swiss law enforcers intended to move ahead with criminal charges against Christophe Meili, the bank guard who saved some Holocaust-era documents from Union Bank of Switzerland's shredding machine.

"They're going to charge him with criminal conduct, not the bank which shredded the records," Mr. D'Amato said in a Senate speech. "And they want Mr. Meili to come back to Switzerland for another interview."

Mr. Meili, 29, and his family fled to the United States in April after he received death threats and warnings that his wife and two young children could be harmed because of his actions. *(AP)*

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# McVeigh Jurors Hear Prosecutor

## *He Says Facts, Not Sympathy, Should Decide Sentencing*

*The Associated Press*

DENVER — Timothy McVeigh set out to kill government agents and "he had to kill all of these innocent people to accomplish the goal," a prosecutor told jurors Wednesday as he sought to convince them that Mr. McVeigh should pay with his life for the Oklahoma City bombing.

"Death was random on April 19th," said Patrick Ryan, a U.S. attorney, noting that Mr. McVeigh set his bomb for 9:02 A.M. to make sure the federal building was filled with people. "He wanted to make sure blood flowed in the streets of America."

Mr. Ryan urged jurors in the sentencing phase to base their decision on facts rather than sympathy. The government is expected to call about 45 witnesses over three days to describe how the bombing devastated their lives, physically and emotionally.

He said that some of the testimony "will be difficult to present" and "some information will be painful to hear."

"It would be easy for you as a jury to think of this as one mass murder — don't," Mr. Ryan said. "There are 168 people, all unique, all individual. All had families, all had friends and they're different."

In the penalty phase, the same jurors who convicted the 29-year-old Gulf War veteran of murder and conspiracy in the 1995 blast will decide whether he should die or receive a life sentence.

The vote must be unanimous and cannot be overruled by the judge. If the jury cannot agree, the judge can impose a sentence of up to life in prison without parole.

"Your role in this proceeding is to be the conscience of the community," Judge Richard Matsch told the jurors earlier. "Your decision must be a reasoned one, free from the influence of passion, prejudice or any other arbitrary factor."

Determined to keep the hearing from becoming "some kind of lynching," Judge Matsch has diminished the government's use of graphic, wrenching testimony to appeal to the jury's emotions.

He barred prosecutors from presenting victims' wedding photos, a poem by a victim's father and testimony on funeral arrangements.

In addition, he prohibited testimony from any bombing survivors and victims' relatives who were prejudiced by testimony from the trial. He allowed those witnesses to be questioned extensively in advance to determine if they may testify.

He also refused to let the defense present evidence on the handling of the fatal government raids at Waco, Texas, and Ruby Ridge, Idaho, which the defense could claim drove Mr. McVeigh to commit the worst act of terrorism on U.S. soil.

"We have to guard this hearing to ensure that the ultimate result and the jury's decision are truly a moral response to appropriate information rather than an emotional response," Judge Matsch said.

Despite his rulings, he will allow plenty of potentially emotional testimony, including that of a 10-year-old boy whose mother died and of a rescuer who held a hand buried in the rubble, only to feel the pulse stop.

The judge will also allow photos of maimed survivors and of victims being wheeled into hospitals and testimony from the coroner about the various causes of death, including that of a man who died slowly with gravel in his lungs.

"We can't sanitize this scene," Judge Matsch said.

Gerard Fouet/Agence France-Presse

**Philippe Seguin, leading contender to take over the Gaullist RPR, arriving Wednesday at a meeting in Paris.**

# FRANCE: *Jospin Fills His Cabinet With a New Generation*

**Continued from Page 1**

the European Union's Maastricht treaty and get France on track for a single European currency along lines acceptable to Bonn.

The defense ministry went to Alain Richard, a moderate Socialist, who has less experience in handling strategic issues than does Mr. Vedrine or Mr. Jospin.

Both of them have criticized Mr. Chirac's plans to reintegrate French forces with NATO and voiced suspicion of plans, supported by the United States, for expanding NATO eastward.

Offering the most tangible indication yet of how Mr. Jospin intends to run things, the government's composition pointed to a strategy of seeking support from every left-leaning constituency. Ministerial slots went to every party, including the Greens, that joined the Socialist-led electoral alliance.

In addition to Mr. Delors, other exclusions included the Socialist old guard prominently associated with Mr. Mitterrand, notably Jack Lang, a former culture minister, and Michel Rocard, a former prime minister.

Like Mr. Jospin, most of the new team were involved in government during the Socialists' years in power in the 1980s, but none was tarred by the scandals and disillusion that engulfed his last years.

A sign of Mr. Jospin's determination to impose his own stamp was the unusually small number of ministers — 30 instead of 40 or more that have been normal.

Key posts went to allies of the prime minister, who ignored political tradition by going outside Parliament to bring in Mr. Vedrine and the new minister for education, research and technology, Claude Allegre, a long-time Jospin adviser.

The most controversial aspect of Mr. Jospin's choices was his decision to include Communists, whose seats are needed for his majority in Parliament.

Their inclusion could alarm investors because of the party's hostility to the European Union and demands for immediate increases in the minimum wage.

Taking them in appeared to be a calculated risk, but the Communists' support could be instrumental in restraining the main trade unions, some of which have already starting pressing for action on the pay raises.

Among the non-Socialist ministers, the most important job went to Jean-Pierre Chevenement, who was made interior minister. He formed the anti-Maastricht Citizens' Movement after resigning as defense minister during the Gulf War and then breaking with the Socialists.

In the core group of Socialist ministers, a common denominator was their commitment to easing inequalities in French society, mainly through more and better-managed government policies. Most could be characterized as pragmatic, but almost none have ever managed a business and only a few have had significant experience administering cities or regions.

### ■ The French Cabinet

This is a list of main cabinet ministers announced by Prime Minister Jospin. Non-Socialists are designated:

Foreign: Hubert Vedrine
Defense: Alain Richard
Interior: Jean-Pierre Chevenement, Citizens Movement
Economics: Dominique Strauss-Kahn
Labor: Martine Aubry
Justice: Elisabeth Guigou
Education: Claude Allegre
Transport: Jean-Claude Gayssot, Communist
Culture and Communication: Catherine Trautmann
Agriculture and Fishing: Louis Le Pensec
Environment and Territorial Management: Dominique Voynet, Greens
Parliamentary Relations: Daniel Vaillant
Civil Service, State Reform and Decentralization: Emilie Zuccarelli
Youth and Sports, Marie-George Buffet, Communist

# 3 French Centrists Said to Face Probe Over Party Funds

*Reuters*

PARIS — A judge has placed three former government ministers under investigation in a probe into illegal party funding, French justice sources said Wednesday.

They said Jacques Barrot, labor minister in the outgoing government, former Justice Minister Pierre Mehaignerie and former Transportation Minister Bernard Bosson were put under investigation by Judge Jean-Pierre Zanoto on Monday.

The three, all centrists, were re-elected on Sunday after a campaign in which sleaze was a major issue, with the left accusing President Jacques Chirac of calling the election almost 10 months early to preempt mounting scandals affecting his Rally for the Republic party.

The three former members of the Democratic Force party, as well as a former treasurer of the group, which is part of the wider Union for French Democracy coalition, were suspected of illicit party financing, the sources said.

The four are suspected of creating a slush fund in Switzerland to channel illicit funds into the party.

The sources said Jean Arthuis, finance minister in the outgoing government, was initially mentioned in the case but that the judge was considering clearing him because his role in the party had been too minor. "I was not one of the leaders," Mr. Arthuis said in April. "I was not treasurer of the party. This does not concern me."

The center-right coalition, made up of the RPR and the UDF, was defeated in Sunday's parliamentary election, which brought a leftist bloc led by the Socialists to power. On Tuesday, a prosecutor opened an investigation into suspected graft over public works contracts by the Paris regional council, led by a Chirac ally.

The Paris public prosecutor's office launched the investigation into the Ile de France Council, led by Michel Giraud, for "favoritism, fraud, forgery, receiving the proceeds of fraud and anti-competitive practices in public tenders."

Mr. Giraud is a senior member of Mr. Chirac's RPR.

A regional auditors' report sent to Mr. Giraud on April 8 condemned "practices aimed at restraining competition," especially in awards of building high schools in the Ile de France region, which includes Paris and surroundings. But the Paris prosecutor had put off an immediate decision on whether to open a probe.

# Stuart Troup, 63, Ex-IHT Editor And Writer, Dies

*International Herald Tribune*

PARIS — Stuart Troup, 63, a versatile writer, critic and editor who worked for newspapers in the United States and Europe, died Wednesday in Valhalla, New York.

The cause of death was complications after a kidney transplant in 1992.

Mr. Troup was an editor at the International Herald Tribune from 1973 to 1979. He also worked for the Rome Daily American, The New York Times, the New York Daily News and Newsday.

It was at New York Newsday after his return from Europe in 1979 that he confirmed his reputation as a perceptive critic of jazz in particular and a devotedly participatory observer of New York City night life in general.

Mr. Troup collaborated with Woody Herman, the big band leader, on "The Woodchopper's Ball," Mr. Herman's autobiography, and completed it after the musician's death in 1987.

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# BOOKS

## COSI FAN TUTTI

*By Michael Dibdin. 247 page. $230. Pantheon.*

Reviewed by Michael Dirda

IF detective stories are the preferred recreation of noble minds — and they are — and if comic novels make the best holiday reading — and they do — and if Mozart is the greatest musical genius of all time — and he is — then Michael Dibdin's latest Aurelio Zen mystery should appeal to just about everybody. For here is what one might call a mystery buffa, set in modern-day Naples, and ingeniously modeled after Mozart's most perfect opera, "Cosi Fan Tutte."

Where that radiant work plays up the fickleness of women, Dibdin uses his homage to undercut every sort of pretension. As he writes in a brief afterword, "the masculine form tutti spares no one." Da Ponte's original libretto, subtitled "The School for Lovers," is elegantly constructed and balanced, using only six characters. Two young soldiers boast about their fiancees' steadfast love, and an urbane bachelor friend, Don Alfonso, immediately challenges them to put that fidelity to the test. So the men pretend to march away to war, only to reappear on stage made up as Albanians. As agreed, each then attempts to seduce the other's beloved. Surprisingly, the young women remain almost insufferably faithful — for a while. But eventually the carpe diem philosophy of a clever serving maid named Despina and the machinations of Don Alfonso prove too much for them. First one, then the other falls for her new suitor and finally agrees to marry him. But at the wedding feast the Albanians cast off their disguise, leading to finger pointing, shame and sorrow all around.

At this dire moment, the worldly wise Don Alfonso successfully urges that the couples marry anyway, according to their original intentions. After all, as he tells the two soldiers, women are all alike. Cosi fan tutte.

Dibdin takes this rather cruel comedy and exuberantly reverses and enriches it. He shrewdly updates some elements (e.g., a double suicide attempt), adds characters, further complicates the plot, and alternates an almost Donald Westlake-style farce about criminal big shots compacted to death in orange garbage trucks with a touching novel about the nature of love and what used to be called authenticity. As in many famous operas, virtually no one in these pages is quite what he or she appears to be.

Aurelio Zen has taken a low-level job in Naples because of political fallout from a previous case in Venice (see "Dead Lagoon"). Everyone at the port police station is amiably corrupt, which is fine with Aurelio who simply aims to enjoy a little Neopolitan dolce far niente. In one of our first glimpses of this sardonic and slightly bumbling policeman, he is "lying on the bed nude except for his socks, watching a Japanese cartoon featuring children with enormous eyes engaging in hand-to-hand combat with evil adversaries whose eyes were undesirably small." Alas, Zen's complacency is shattered by two events: His attractive middle-aged landlady, who thinks his name is Alfonso Zembla, implores him to persuade her two daughters to break up with their mysterious lowlife boyfriends, and a Greek sailor is stabbed to death in a restricted area of the port.

ZEN soon convinces the besotted Orestina and Filomena to test the devotion of their lovers by going away for a few weeks to London; the handsome young men — to all indications middle-level Mafia soldiers — appear genuinely disconsolate. Meanwhile, Zen hires two sexy prostitutes to seduce the lovesick Gesualdo and Sabatino. These professional beauties pretend to be virginal Albanian refugees, charitably lodged by nuns on the bottom floor of Zen's house.

Counterpointing the elaborate double seduction attempt is Zen's investigation into the stabbing murder. The alleged killer insists that he "Only spik Engleesh," and in a hilarious scene Zen cross-examines him by mouthing the lyrics of some old rock songs, the only English he himself knows, courtesy of a former girlfriend: "'Oh, yes, I'm the great pretender,' he said, 'adrift in a world of my own. I seem to be what I'm not, you see. Too real is this feeling of make-believe.'" Because the interrogation is so funny in itself, one can easily overlook how the words of "The Great Pretender" echo the novel's leitmotif of masquerade.

Inevitably, the murder inquiry, the seduction scam, and the garbage truck assassinations all converge for a farcical, utterly improbable, yet nonetheless thrilling climax. Soon afterward, masks are dropped, lovers united or separated, secret identities revealed, and even the long-lost father discovered. Gaiety and joy prevail, as the curtain falls.

All of this could seem merely twee were it not for Dibdin's vivacious style, razor-sharp plotting and his wicked pokes at contemporary Italian mores. Take Gesualdo, a believer in "the chaos theory of urban driving." At one point, while racing at high speed through dense rush-hour traffic, he unexpectedly yells "over an excruciatingly loud and dissonant blast of his horn at the mental incompetent at the wheel of the car ahead, who had very nearly caused an accident by suddenly stopping, without the slightest warning, at a stop light."

Dibdin has won awards for his more serious mysteries about Aurelio Zen, starting with the acclaimed "Ratking," and also garnered plaudits for his contemporary black-humor novels, such as "Dirty Tricks." His latest, however, calls to mind a P.G. Wodehouse romp set in Italy with sexy characters: "Leave it to Aurelio" maybe, or "Right Ho, Zen!" "Cosi Fan Tutti" may not be quite as much fun as a trip to Naples, or even a night at the opera, but it's a terrifically enjoyable entertainment.

*Michael Dirda is a writer and editor for The Washington Post Book World.*

# BRIDGE

By Alan Truscott

THERE are inferences to be drawn when the bidding takes an unexpected turn. Without looking at the hand, study the auction shown in the diagram as far as six diamonds.

North clearly has a very long diamond suit and expects to make a grand slam. He has shown no interest in controls, so he must have first-round control in at least three suits himself: he would not risk such a bid if there was a danger that the defense could win the first two tricks. If he had one sure loser, he would probably choose a slower route, so two major-suit voids are likely, improbable as that is in theory.

So if you are South, you should visualize a hand with lots of diamonds and a secondary club suit, with at least one major-suit void.

North and South were Al Pagan of Westwood, New Jersey, and Wayne Roelke of Hawthorne, New Jersey, playing in Wyckoff, New Jersey. This was a match-point game, and Roelke gambled with seven no-trump, hoping for a top score. He was unlucky.

On any lead but a club, 13 tricks would have rolled in. South can maneuver to discard dummy's club losers before he runs diamonds. But West had an obvious lead of the club jack, which destroyed South's communications.

All he could do was to run diamonds and go down two, losing two club tricks at the finish.

If South had formed an accurate picture of his partner's hand, as he could have done, he would probably have bid seven diamonds. The singleton club was an ominous sign: if he had held a doubleton club the threat to the partnership's communications would have been less serious, and seven no-trump would have been a perfectly reasonable venture.

NORTH (D)
♠ —
♡ —
♢ A K J 9 8 7 5 4 2
♣ A K 7 5

WEST
♠ Q 5
♡ J 10 6
♢ 3
♣ J 10 9 8 6 4 2

EAST
♠ K J 8 4
♡ 9 8 7 4 3 2
♢ 10 6
♣ Q

SOUTH
♠ A 10 9 7 6 3 2
♡ A K Q 5
♢ Q
♣ 3

Neither side was vulnerable. The bidding:

| North | East | South | West |
|---|---|---|---|
| 2 ♣ | Pass | 2 ♠ | Pass |
| 3 ♢ | Pass | 3 ♡ | Pass |
| 6 ♢ | Pass | 7 N.T. | Pass |
| Pass | Pass | | |

West led the club jack.

هكذا من الأصل

# French Centrists aid to Face Probe ver Party Funds

Reuters

— A judge has ... former govern... ministers under ... in a probe into illegal ... funding. French judges ... and Wednesday ... ay and Jacques Hamel ... minister in the ongoing ... rument, former Justice ... ster Pierre Méhaignerie ... former Transportation ... ster Bernard Bosson ... put under investigation. ... dge Jean-Pierre Zanoto ... Friday ... e three, all centrists ... re-elected on Sunday ... a campaign in which ... it was a major issue, with ... hill accusing President ... ac Chirac of calling the ... ion almost 10 months ... the postponement ... hole affecting the Gaull... ic Republic party ... three former members ... ne Democratic Force ... , as well as a former ... ber of the group, which ... t of the wider Union for ... ch Democracy coalition ... suspected of illicit party ... ding; the sources said ... o four are suspected of ... ing a slush fund ... ard to channel illicit ... into the party ... sources said Jean ... ne, finance minister in ... outgoing government ... initially questioned as the ... but that the judge was ... dering clearing him of ... his role in the party fund ... ne month "I was not ... of the leaders," M. ... ne said in April. "I was ... treasurer of the party. This ... just concerns me." ... e centre-right coalition ... up of the RPR and the ... was defeated ... ng's parliamentary ... which brought a letter ... ked by the Socialists ... the Tuesday, a party ... ng against an investigation ... into suspected graft ... ... which centres on the ... regional council and its ... ging city. ... Paris public prosecutor ... office launched the in...

Stuart ... Group Is Ex-Hi... Ailing And W... Hi...

# Canada's Voters Give Mixed Signals

By Howard Schneider
*Washington Post Service*

TROIS-RIVIERES, Quebec — They may have had different reasons for doing it in different parts of the country, but Canadian voters could hardly have delivered a more confusing message in the national legislative election. They chose five different parties to represent Canada's five regions.

With a slim governing majority based overwhelmingly in Ontario, Prime Minister Jean Chretien welcomed what he described as a historic second mandate, the first time Canada's Liberals have won consecutive majorities since the early 1950s.

That in itself is a substantial feat, Liberal supporters said, after a first term in which the government reduced spending and tightened the eligibility rules for popular social programs such as health care, unemployment insurance and old-age pensions.

"Majorities in Canada back to back are a challenge; we met it," said John Rae, the Liberals' national campaign coordinator.

Even though his party lost support in Monday's voting and only narrowly held control of the House of Commons, Mr. Chretien said the Liberals alone now can claim standing as a party that represents all of Canada. The Reform Party, with the second-largest number of seats, failed to win any east of Manitoba despite intense campaigning in Ontario by Preston Manning, the party leader.

"It's a great moment," Mr. Chretien said of a vote that gave his party 155 of the 301 available seats. "We won a majority, and we have seats in all parts of Canada."

But just barely.

In the eastern provinces, where the Chretien government's budget-cutting hit hard, the Progressive Conservatives, Canada's traditional Tory party,

**NEWS ANALYSIS**

emerged with the largest number of seats. Quebec, meanwhile, elected more members of the separatist Bloc Quebecois than any other party, denying Mr. Chretien and the Progressive Conservative leader, Jean Charest, the large gains they had expected.

Ontario went overwhelmingly for the Liberals, giving them 101 of 103 seats and providing a foundation for Canada's governing party in the province that has perhaps the deepest ties to traditional Canadian federalism.

The prairie provinces of Manitoba and Saskatchewan helped restore the fortunes of the labor-based New Democratic Party. Along with British Columbia and Alberta, they also helped make the conservative Reform Party the official opposition — replacing the Bloc Quebecois — with 60 seats in the upcoming Parliament.

Like Mr. Chretien, the leaders of the four other parties could all claim satisfaction with the results. But they also acknowledged that the divisions in Canadian society remained: Mr. Chretien's Liberals may have won a majority, but they received less than 40 percent of the popular vote, and two-thirds of their delegation comes from one province, Ontario. That, opposition leaders said Wednesday, is hardly an expression of national will.

At a news conference in Montreal, the Bloc Quebecois leader, Gilles Duceppe, predicted that Monday's vote would be the last federal election held in this province, as Quebec's French-speaking nationalists prepare for a provincial election expected to be called in coming months, and then another referendum on whether to leave Canada and form their own country.

The Bloc, which fields candidates only in Quebec, won 44 of that province's 75 seats. Although it drew only 40 percent of the popular vote in the province, Mr. Duceppe said the sovereignty movement was confident of winning the next referendum.

Monday's results helped that cause, he said, particularly western Canada's strong vote in favor of the Reform Party, which is being portrayed by separatists as evidence of widespread anti-French sentiment in English Canada. Of all the other party heads, Mr. Manning spoke most bluntly about Canada's need to be more aggressive in opposing Quebec nationalism.

Jim Young/The Associated Press

**Mr. Chretien hugging a supporter in Ottawa after his election victory.**

# *Day of Reckoning Nears for Mexico's Ailing Ruling Party*

By Molly Moore
*Washington Post Service*

MEXICO CITY — For more than four decades, in election after election, Rodrigo Cruz has voted religiously for the candidates of Mexico's ruling party.

Not this year. Like growing numbers of Mexicans, the 63-year-old gas station attendant — for the first time in his life — is turning against the long-ruling Institutional Revolutionary Party, or PRI.

"I want a change, and the young people need a change," Mr. Cruz said. "My vote is for them, for a better future for them. The PRI is like a big and furious dinosaur who doesn't want to die. I say it is time for the PRI to die."

Mexicans will vote July 6 in midterm elections that could alter the political course of a nation that has been ruled by the same autocratic party for 68 years — longer than any elected political party has governed anywhere else on the globe.

In the race that could have the greatest impact, polls indicate the PRI is likely to lose the first election ever for mayor of Mexico City, a post that had been filled by party members appointed by the president. The winner will govern one of the world's most populous cities and, as one of the most high-profile political leaders in the country, will be a presumed candidate for president in 2000.

A senior party official conceded that it would "be very hard to defeat" the leftist opposition candidate, Cuauhtemoc Cardenas, who has run for president twice and is the son of a legendary president who served in the 1930s.

But, in elections even more worrisome to the government, PRI officials fear that for the first time since the Mexican Revolution early this century, the ruling party could lose its absolute majority in the lower house of Congress. Even though the party will probably retain the highest number of lawmakers, its failure to win more than half the seats would open the legislative branch to far more debate and scrutiny of the ruling party than in the past.

"Many will hail this as a significant advancement toward democracy," an economist, Jonathan Heath, wrote recently in a Mexico City newspaper. "Others will underline the beginning of an uncertain period of political instability. What we do know is that, for better or worse, it will be a road never traveled before in this country."

The ruling party's power base has steadily eroded in recent years as the right-of-center National Action Party, or PAN, has claimed four of the country's 31 governorships, a dozen provincial capitals and 24 percent of the members of the lower house of Congress. In all, the pro-business PAN, which is particularly powerful in northern Mexico, now governs 36 percent of Mexico's population.

The left-of-center Party of the Democratic Revolution, or PRD, which generally runs strong in Mexico's rural, impoverished areas, governs more than 10 percent of the population. Polls this week indicated that 39 percent of voters surveyed favored the party's candidate for mayor of Mexico City, Mr. Cardenas, by a whopping 20 percent over both the ruling party and PAN candidates. If the polls are confirmed on election day, the party would gain its greatest power base yet.

The ruling party is also facing fierce competition in most of the six state governor elections. In the eyes of many voters, the PRI has become synonymous with corruption. In the past year, investigations in Mexico, the United States and Switzerland have linked the older brother of former President Carlos Salinas de Gortari and many of Mr. Salinas's top officials and business associates to money laundering, drug trafficking and other forms of corruption.

Many Mexicans also blame the PRI for the 1994 collapse of the peso, which plunged the country into its deepest recession in six decades. Although international investments are trickling back in and the government is on more stable financial footing, millions of poor and middle-class Mexicans have still not recovered from the financial crisis that closed tens of thousands of small businesses, increased unemployment rates and bankrupted much of the middle class.

The most visible sign of the continuing economic and social dissatisfaction in the country has been the resurgence of violent activity by a guerrilla organization, the Popular Revolutionary Army, in Mexico's poor, southern Pacific coastal states. At least nine guerrillas and Mexican soldiers have been killed in fighting in the last week.

**BRIEFLY**

## *Turkish Helicopter Crashes in Iraq*

DIYARBAKIR, Turkey — A Turkish helicopter on a mission against Kurdish rebels in northern Iraq crashed Wednesday, killing 11 military personnel, including two high-ranking officers, security officials said.

Officials at the governor's office here in southeast Turkey said the helicopter went down in Iraq's mountainous Zap region. The Anatolian News Agency said the helicopter suffered a technical failure, but state-run television said it was not clear what caused the crash.

A spokesman for a pro-Kurdish television channel said Kurdish rebels brought down a helicopter early Wednesday during fighting in the area around Zap. *(Reuters)*

## *Court Confirms Sentence for Tapie*

PARIS — An appeals court on Wednesday upheld the six-month prison sentence imposed on Bernard Tapie, the former sports tycoon and government minister, but it dropped a ban on his business activity.

The court upheld Mr. Tapie's sentencing on fraud charges for evading taxes on his yacht, and upheld a 30-month suspended sentence for diverting company funds for the vessel.

But it dropped a 10-year ban on business activity, part of a second case. There was no immediate explanation for the change. *(AP)*

## *Mugabe Says OAU Won't Abide Coups*

HARARE, Zimbabwe — The Organization of African Unity called Wednesday for a return to democracy in Nigeria and Burundi, and the group's new chairman said Africa would no longer tolerate military takeovers.

"We are getting tougher and tougher each time," President Robert Mugabe of Zimbabwe said at the organization's summit meeting here. "I can assure that for future coups, it will be much tougher."

Mr. Mugabe said there was no contradiction between the OAU's condemnation of the coup in Sierra Leone on May 25 and the presence at the meeting here of representatives of the military governments of Nigeria and Burundi. *(Reuters)*


Southern Africa Trade & Investment Summit

**Botswana, November 18–19, 1997**

President Ketumile Masire and fellow heads of state from the region will lead discussions at the International Herald Tribune's third Southern Africa Trade & Investment Summit to be held in Gaborone on November 18–19. The Presidents will be joined by business and finance leaders from the region, as well as renowned international figures and senior representatives from some of the world's leading companies currently investing in Southern Africa.

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| FRANCE | FF | 520 | 210 | 60% |
| GERMANY* | DEM | 182 | 72 | 60% |
| GREAT BRITAIN | £ | 47 | 22 | 53% |
| GREECE | DR | 18,200 | 9,100 | 50% |
| IRELAND | IRE | 52 | 26 | 50% |
| ITALY | ITL | 145,600 | 58,000 | 60% |
| LUXEMBOURG | LFR | 3,3800 | 1,350 | 60% |
| NETHERLANDS | NLG | 195 | 78 | 60% |
| NORWAY | NOK | 832 | 390 | 53% |
| PORTUGAL | ESC | 11,960 | 5,000 | 58% |
| SPAIN | PTAS | 11,700 | 5,000 | 57% |
| SWEDEN | SEK | 832 | 350 | 58% |
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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

# Ukraine and Russia

Much attention was focused last week on Russian President Boris Yeltsin's trip to Paris, where he signed a cooperation agreement with Western nations of the NATO military alliance. But a trip he subsequently made to Ukraine may carry just as much significance for future peace in Europe.

Mr. Yeltsin had planned on six previous occasions to visit Kiev, cancelling each time. His hesitation reflected Moscow's difficulty in coming to terms with Ukraine, a France-sized country that broke away from the Soviet Union in 1991. Many Russians found their loss of empire in general to be difficult, but the divorce from Ukraine was particularly wrenching.

Russian history traces its origins to the ancient Kievan state of Rus. Crimea and its port city of Sevastopol figure largely in more recent Russian history. In contemporary times, Ukrainians and Russians frequently intermarried; Russians vacationed in Ukrainian towns on the Black Sea; many saw — and some still see — Ukrainian independence as a temporary aberration.

So when Mr. Yeltsin finally signed, on Saturday, a treaty recognizing the sovereignty and territorial integrity of Ukraine, he took a significant step.

Russia renounced all border claims. It promised fair commercial treatment for Ukrainian exports. It won the right to keep its Black Sea fleet based in Sevastopol, but only after recognizing Sevastopol and the Crimea as Ukrainian — and agreeing to pay rent for use of the port.

One presidential visit, even with a solemn treaty signing, will not change Russia's mentality or end its debate about Ukraine's nationhood. Moscow Mayor Yuri Luzhkov, a blustering nationalist positioning himself for a presidential run, complained that "we will be renting Sevastopol from ourselves." Many in Russia's Parliament will oppose the treaty. And Russia's behavior toward smaller neighbors — such as Estonia, Latvia, Lithuania and Georgia — still often rests on intimidation and unjustifiable claims.

But the Russia-Ukraine agreement is another vindication of NATO's strategy of reaching eastward to former nations of the Soviet bloc. Ukraine is not a candidate for early NATO membership, but it has endorsed NATO expansion and sought closer ties with the alliance. Those ties in turn helped convince Russia that if it wants to retain any influence at all, it should treat Ukraine as a sovereign nation, not as a vassal state.

That decision may reflect tactics, not a change of heart. But there is a good chance that the next generation of Russian leaders will see Ukrainian statehood as a natural thing, particularly if both countries maintain their free market and democratic reforms. Whatever their respective motives, it can only be positive that Mr. Yeltsin and Ukrainian President Leonid Kuchma are building a structure of normal state relations for that next generation to inherit.

*— THE WASHINGTON POST.*

# Canada Keeps Splitting

Prime Minister Jean Chrétien's Liberals barely won their predicted victory in Monday's elections, but the cracks in the Canadian federation are wider than ever and his party's majority has been shaved to a handful of seats. As before, he has to cope with a still formidable separatist party in Quebec, where the prime minister almost lost his own constituency. Yet the most interesting result was the revolt that swept the western provinces, giving the rightist Reform Party 60 seats and thus making Preston Manning the official opposition leader in Parliament.

The evangelical Mr. Manning has tapped resentment against Quebec, high taxes and big government, but his decade-old party draws most of its support from Alberta and British Columbia and has virtually no presence east of Manitoba. For much of this century the Canadian West has served as a takeoff platform for yeasty, oddball and genuinely radical political movements that somehow sputter out on the long voyage eastward.

During the Great Depression, a fundamentalist lay preacher, William "Bible Bill" Aberhart, founded the Social Credit Party in Alberta, and through weekly radio broadcasts recruited a fervent following. Promising a "social dividend" of $25 a month to every citizen, the party won control of Alberta in 1935. The central government blocked its funny-money schemes, but the party flourished nevertheless, and in 1952 won control of British Columbia. Elsewhere in the West, the voters of Saskatchewan in 1944 elected the Cooperative Commonwealth Federation (CCF). This avowedly socialist government held power until 1966. Over time, Social Credit and Bible Bill faded into folklore, while the CCF became the present-day New Democrats.

But the politics of protest obviously continues to bubble in western provinces. The problem for a weakened prime minister and for Canadians is that Mr. Manning risks lighting a prairie fire of chauvinism destructive of the very conservative values he professes.

*— THE NEW YORK TIMES.*

# Wishful France

France today has the highest unemployment rate among leading industrialized nations. The triumph of the left in Sunday's elections reflects voters' understandable anxiety about this state of affairs. Unfortunately, the winners' program, if carried out, is likely to make the problem worse.

Conservative President Jacques Chirac gambled when he called early elections, hoping for a Parliament that would support him during the remaining five years of his term. Instead, his conservative allies lost badly to the Socialist and Communist parties. Now Mr. Chirac will uncomfortably share power with a leftist government led by a Socialist prime minister, Lionel Jospin.

As in any election, diverse factors of personality, tactics and policy played their parts. But the chief issue was one that confronts the United States and every other nation as well: how to balance the needs and desires of each country's population with the harsh rigors of economic globalization.

In today's world, technology and capital are increasingly mobile; businesses can set up shop wherever profits will be greatest. Not only can they; businesses that pass up opportunities — out of loyalty to their home communities or countries, for example, or by order of home governments — may soon be passed by. Thus, nations find their own political possibilities limited; if they set taxes high to fund a generous social safety net, businesses will move away, shrinking the tax base and requiring even higher taxes.

France has one of the highest tax rates around; public spending counts for more than of half its total economy, compared with about one-third in the United States. Government employs one-quarter of all workers, compared with one in seven in the United States. Nationalization of industry does guarantee that some jobs stay in France, and generous benefits — early retirement ages, for example — are lovely for those with jobs. But both discourage private job creation; the unemployment rate in France is nearly 13 percent and growing.

Now comes Mr. Jospin, promising to suspend privatization of industry, create 350,000 new government jobs for young people and reduce the workweek from 39 to 35 hours with no cut in pay. Sounds lovely again; but government jobs require taxes, which drive businesses away, and mandating shorter workweeks and other benefits increases the costs to business of creating new jobs. The policies, in other words, would have the perverse effect of increasing unemployment. Mr. Jospin has yet to explain how he can accomplish his goals without raising taxes, which he promised not to do.

No nation has come to satisfactory terms with globalization. Many Europeans would say that America, with its remarkably successful record of job creation, has sacrificed too much in the way of equality, social welfare and public infrastructure. But it is safe to say that wishfulness, which seems to be the underlying mood in the French electorate, won't repeal the new laws of global economics.

*— THE WASHINGTON POST.*

Herald INTERNATIONAL Tribune

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# Europe Needs a Currency for Growth and Jobs

By Robert A. Levine

VAISON-LA-ROMAINE, France — Well, the French have done their thing. The left has won and Lionel Jospin is prime minister. Although most of the policy implications are still rather uncertain, one is quite clear: The euro is in big trouble. Which may be the best thing that has happened to it since the single currency was conceived.

The campaign and its results show that the French simply will not accept the procrustean austerity programs necessary to bring the deficit and other measures within the Maastricht criteria. And the French election has coincided with the clownish clumsiness of the German attempt to solve its own Maastricht problems by revaluing gold, and the consequent conflict between the government and the Bundesbank.

Together, the two events have either killed the 1999 monetary union or have twisted it so far out of recognition that it might as well be dead.

Monetary union remains the crucial political as well as economic issue for Europe. Events do not hold still, and if the European Union does not continue toward integration, it might well reverse course toward disintegration.

The euro that is dying, however, is and always has been the wrong answer.

Fortunately, political events in the amazing month from May 1 to June 1 may make it possible to change and save it.

The Maastricht euro has been the wrong euro. It has been a central bankers' euro, a euro used by the Top People in the banks and the finance ministries to tell everyone else: "Structural reform is the right answer and you must accept it because it is good for you. Ten to 15 percent unemployment is bitter but you need it."

As events have shown, that is unlikely to fly in a democracy. Long-run structural reforms are in fact needed to reduce European unemployment, but short-run reductions brought about by macroeconomic (fiscal and monetary) measures quite incompatible with the Maastricht criteria are necessary to make the reforms politically acceptable.

But the month that ended with Lionel Jospin began with Tony Blair. The new British government has not said "no" to the euro, but it is clearly saying "not now" to the Maastricht euro. Suppose that the new governments on both sides of the Channel were to design a new-model integrated currency, one that is:

- A growth currency.
- An employment currency.
- A currency that makes it possible to use macroeconomic means to compensate those who suffer from needed structural reforms, rather than punishing them additionally.
- A currency that takes in the major West European economies, including Italy and Spain — and Britain.
- Most important: a currency under the final control of elected policymakers rather than the rigid rules of central bankers and economic theorists.

Such a currency might seem attractive to the new governments of Britain and France, but what about the Germans? Germany would not accept the softness of such criteria; the Germans want the firm rigor of the Deutsche mark. The DM is the symbol of German prosperity, and nothing less will do.

German prosperity? In a Germany with unemployment above 10 percent, a Germany failing in the expensive reconstruction of its eastern *Länder* and facing drastic cutbacks of cherished social programs, a Germany which will suffer most from a rigid euro or even a continuing rigid Deutsche mark?

Perhaps the symbol of the pure Deutsche mark will become even stronger as the German economy sinks. Or perhaps not. This Germany of the next 12 months is also the Germany in which Helmut Kohl is running for reelection, and with the economy moving in its current direction he could well go the way of Alain Juppé. (A historically more just comparison might be to Winston Churchill, but that would be cold comfort for the chancellor.)

In any case, if Mr. Kohl goes, he might be succeeded by Oskar Lafontaine or Gerhard Schröder of the Social Democrats, or perhaps by the Christian Democratic equivalent of Philippe Séguin, the last-minute leftish hope of the French conservatives. Then, perhaps, Germany might participate in the redesign of a European currency. Maybe even Mr. Kohl would do so, in anticipation of — or desire to avoid — such a succession.

Perhaps the new statesmen of the new Europe could take a final step in reconciliation of the German people to the need for a flexible pro-growth currency. They could rename it the Euromark.

*The writer, a senior economist emeritus at the Rand Corporation, contributed this comment to the International Herald Tribune.*

# Heed the Nuclear, Biological and Chemical Terrorist Threat

By Joseph S. Nye Jr. and R. James Woolsey

WASHINGTON — The destruction of the federal building in Oklahoma City and the bombing of the World Trade Center in New York shocked Americans. Those tragedies would have been far worse if nuclear, biological or chemical materials had been involved. After co-chairing a yearlong study for the government, we believe it is increasingly likely they will be.

For 40 years, Americans lived under the fear of Soviet nuclear attack. The end of the Cold War reduced the prospect of a nuclear holocaust, but prospects of a nuclear explosion inside the United States probably have increased.

It is not just the nuclear threat. Terrorists worldwide have better access to anthrax, ricin or sarin than to nuclear materials.

So far we have been lucky. But we should not wait for a another Pearl Harbor to awaken us to the fact that there is no greater threat to our security than terrorism involving weapons of mass destruction.

Skeptics may call us alarmists. Nuclear technology has been around for 50 years, and chemical and biological agents for nearly a century, yet terrorists have rarely turned to them. Conventional high explosives are easier to obtain. Moreover, terrorists seeking to promote a cause run the risk of a moral and political backlash if the destruction they wreak seems disproportionate to their cause.

But recent years have seen the rise of a new type of terrorist less interested in promoting a political cause and more focused on retribution or eradication of what he defines as evil. The motives are often a distorted form of religion, and the imagined rewards are in the next world. For such people, weapons of mass destruction, if available, are a more efficient means to their ends.

Such devices are becoming more available. The breakup of the Soviet Union and the rise of the mafias in Russia have increased the smuggling of nuclear materials. Chemical and biological agents can be produced by graduate students or lab technicians. Recipes are readily available on the Internet.

Our overriding recommendation is to give the threat of terrorism with weapons of mass destruction the highest priority in U.S. national security policy. Of the threats that could inflict major damage to America, such terrorism is the threat for which it is least prepared.

The nation needs a national response program, directed by the White House. The program must be coordinated and integrated across the entire federal bureaucracy. And end-to-end systematic strategy to counter this threat must address all phases of a potential terrorist attack, from detection and prevention to response.

Such a strategy should include and coordinate program initiatives by all involved departments and agencies. To this end, we recommend that policy direction be clarified at the White House level by a committee chaired by the vice president; interagency and interdepartmental coordination and integration be handled by deputies of the involved organizations; the program be supported by a long-term funding strategy; an independent advisory board of outside experts be appointed by the president to monitor and advise the program.

The very nature of U.S. society makes it difficult to prepare for this security problem. Within recent memory, Americans have not had to battle a foreign invading force on U.S. soil. Because of our "Pearl Harbor" mind-set, we are unlikely to mount an adequate defense until we suffer an attack.

Because the threat of terrorism with weapons of mass destruction is amorphous (rogue states, transnational groups, ad hoc groups or individuals) and constantly changing, it is hard to make predictions and preparations. But given the current geopolitical state of the world, there is every indication that terrorism will be the most likely physical threat to the U.S. homeland for at least the next decade.

Only if we go beyond business as usual and respond in a broader and more systematic manner do we stand a chance of dealing with this problem.

*Mr. Nye is a former assistant secretary of defense, and Mr. Woolsey was CIA director in the first Clinton administration. They contributed this comment to the Los Angeles Times.*

# Clean Up the World's Glut of Surplus Weapons

By Michael Brzoska and Herbert Wulf

BONN — Cleaning up after the Cold War is proving harder than expected. Surplus weapons can global proliferation, civil wars and arms races.

Agreeing on international disarmament or reducing unilaterally, important as those steps are, is not the end of the story. Disarmament also requires management of the surplus of weapons and weapons material created by reductions. The Chemical Weapons Convention, which entered into force at the end of April, sets a good precedent in this respect.

The surplus weapons problem has taken governments and international organizations by surprise, due primarily to the sheer magnitude of the accumulated surplus.

Post-Cold War disarmament has been dramatic and rapid. Through 1995, the share of world military expenditures in GNP was halved from about 5 percent to about 2.6 percent within a span of eight years. A large backlog of surplus weapons and weapons material has accumulated as a result.

Nuclear disarmament after the 1987 Intermediate Nuclear Forces Treaty led to the dismantling of about 5,000 delivery vehicles and 18,000 nuclear warheads. Hundreds of tons of weapons-grade fissile material await further disposition.

One out of three heavy conventional weapons in military arsenals in 1990 had been rendered surplus by 1995. Net reductions in holdings from 1990 to 1995 add up to 165,000 heavy conventional weapons.

We lack reliable data for smaller arms, but find indications that cuts have also been substantial.

The Chemical Weapons Convention aims at completely eliminating chemical weapons — more than 70,000 tons — within 10 years.

While there is agreement among surplus-producing states not to tolerate any further kind of proliferation of chemical or nuclear weapons material, the danger is clear and imminent. Indecision about disposition of chemical and nuclear weapon materials, insufficient storage and control, and lack of financial resources to carry out destruction in Russia should put everyone on high alert.

For conventional weapons there are no agreed limitations, so proliferation is happening in grand style. Many governments apply less strict controls to transfer of old weapons than to transfer of new ones. The international trade in old weapons has reached record heights.

More than 18,000 used tanks, aircraft, artillery pieces and major ships were exported in the first half of the 1990s. Judging from information about recent wars, trade in used light weapons has been even more buoyant. Rifles, for instance, are now circulating from one crisis spot to the next.

The "Afghan pipeline" to help the Mujahidin fight the Soviets brought millions of rifles to the region, and to Kashmir and Sri Lanka. Many of those rifles also found their way to Algeria and Burma.

Cost-benefit considerations have led surplus-creating governments to sell rather than destroy surplus, often at bargain rates. Low prices increase the number of arms in circulation and make them especially attractive to those who cannot afford more modern weaponry.

What is surplus for a modern army is still useful for fighting enemies who are also armed with outdated weapons.

In certain cases the availability of surplus heavy weapons has fanned regional arms races. Relations between Greece and Turkey have recently been further aggravated by large deliveries of old weapons, predominantly from Germany and the United States.

The various wars on the southern periphery of the former Soviet Union are mostly fought with surplus weapons, some stolen from old inventories but many handed over by the new Russian authorities.

The surplus of nuclear, chemical and conventional weapons is likely to remain an important security, economic and ecology issue well into the next century.

The many technical questions relating to stockpiling, deliberate obsolescence, scrapping, conversion or export are far from settled. And stockpiles will keep on growing.

Measured on a worldwide scale, disarmament in 1997 is continuing, but at a slower pace than in the early 1990s.

The immediate priority in the nuclear field is to ensure the safety and stability of current stockpiles of fissile material in Russia. As for destruction of chemical weapons, many technical and financial problems remain, and it is important to get the Russians on board. Both efforts will cost the West.

Surplus conventional weapons should be destroyed. Export controls for surplus weapons should be no more lenient than those for new weapons.

Donors and aid organizations should be prepared to deal directly with weapons within conflicts and to support measures of practical disarmament in post-conflict areas. Liberia, for instance, now needs such help to prevent a restart of the war just because the guns are around.

On a more general level, comprehensive policies for the effective management of surplus weapons have to be institutionalized to preserve the momentum of disarmament. The Chemical Weapons Convention holds the promise of being outstanding in this respect. The fields of nuclear and conventional weapons field lag behind.

*Mr. Brzoska is research director and Mr. Wulf director at the Bonn International Center for Conversion, which recently published "Conversion Survey 1997: Global Disarmament and Disposal of Surplus Weapons." They contributed this comment to the International Herald Tribune.*

# Partners Should Nudge Burma

By Jusuf Wanandi

JAKARTA — The recent decision by the Association of South East Asian Nations to admit Burma as well as Cambodia and Laos as members next month was made for strategic reasons — to unite the region politically for the first time, and to prevent Burma from becoming overly dependent on one great power, either China or India. The aim is to create a more cohesive Southeast Asia, better able to resist outside intervention and maintain the region's peace, stability and economic dynamism.

But the decision to bring these three countries into ASEAN — which currently consists of Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — will bring costs as well as benefits, especially with Burma.

Already, Western countries, including the United States and Europe, have criticized the move, arguing that it will help legitimize the Burmese military regime and should have been delayed until there is clear evidence that human rights abuses and political repression are being eased.

Such criticism could complicate ASEAN's important relations with the West. It could also damage the group's stature and credibility, reducing its influence.

It is not only the West that is pointing to Burma's bad record, including the military regime's refusal to recognize the results of elections in 1990 that were won convincingly by the opposition National League for Democracy led by Daw Aung San Suu Kyi, the Nobel Peace Prize laureate.

Significant domestic constituencies in ASEAN, such as the press and nongovernmental organizations, have also criticized Rangoon for showing no willingness to improve the political situation. In their eyes, Burma's military rulers lack decency and legitimacy.

It is important for ASEAN to lay down a road map for its three new members so that they adjust to the group's principles. In the economic field, they should adopt sound macroeconomic policies.

A road map for sociopolitical development is especially important for Burma. The government must understand that membership in ASEAN brings with it not only rights but also obligations.

For example, the constitution that the government has promised for four years should be finalized and promulgated well before the end of this year. Some rights of organization and assembly in Burma, as well as freedom of expression, must be recognized and implemented gradually. Dialogues with all political parties should be established so that their role under the new constitution can be worked out.

Last but not least, a general election should be held in the not too distant future to form a new government. Perhaps a two- or three-year preparation period would be adequate and could be proposed to Rangoon by ASEAN.

One sticking point will be the role of Daw Aung San Suu Kyi in the dialogue, the elections and the next government. This will not be easy, because she and the country's military leaders show no sign of willingness to compromise, something that is essential for a political solution.

Here ASEAN could play a role. Despite the principle of nonintervention in each other's affairs that ASEAN espouses, it would be right to make an exception in Burma's case. But it should be done quietly in the right way, the ASEAN way.

*The writer, chairman of the supervisory board of the Center for Strategic and International Studies in Jakarta, contributed this comment to the International Herald Tribune.*

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1897: U.S. Citizenship

WASHINGTON — Mr. Sherman, U.S. Secretary of State, has under consideration a new treaty with Spain relative to the naturalization issue. Much of the friction between the United States and Spain is due to the facility with which the Cubans have been able to obtain naturalization. The Treaty prevents fraudulent naturalization. Most of the so-called American citizens in Cuba have no intention of becoming residents in the United States, but avail themselves of their new nationality to obtain the protection of the American flag.

### 1922: Work Discipline

PARIS — In one of the large industries in America, an organisation for self-discipline has been functioning very successfully for some time. Every offence committed in the establishment by a member of the working force is dealt with by that force. Another interesting manifestation is the "Poor Man's Court," extra-judicial, which is expected to do away with the red-tape and about 75 per cent of the volume of current litigation and to minimise its cost. The creator of this tribunal is the Arbitration Society of America.

### 1947: Atomic Agency

NEW YORK — The United States warned that an atomic arms race is on and asserted that the system of atomic control advocated by Russia would be a "fraud on the peoples of the world." It said that such a system would breed antagonism, distrust and suspicion and increase the danger of atomic war. The United States has proposed the creation of an international agency with full control of atomic matters in every country.

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# All Right, Take the Fifth, But Do It in Person

By William Safire

WASHINGTON — Not since the Kefauver hearings exposed organized crime 46 years ago has a major Senate investigation been resisted by such an array of key witnesses talking of taking the Fifth Amendment against self-incrimination.

Another Tennessee senator, Fred Thompson, chairman of the Government Affairs Committee looking into the Asian penetration of the Clinton campaign, has been rebuffed by 12 key figures — plus 16 Buddhist monks — so far.

Yah Lin (Charlie) Trie, the donor who brought China's top arms dealer into President Bill Clinton's office, won't testify. Nor will Mark Middleton, an aide to Mr. Clinton's chief of staff, whose Asian dealings gave new meaning to "White House Mess."

Johnny Chung, a 49-time visitor who gave $366,000, partly through Hillary Clinton's staff director, refuses to testify, as does Pauline Kanchanalak of Thailand, Maria Hsia of the abused Buddhist temple and the famously hushed Webster Hubbell.

John Huang will not testify to the Senate. He was the Commerce official who Mr. Clinton, in a Sept. 25, 1995, Oval Office meeting, transferred to the Democratic Finance Committee, presumably to pick up IOUs generated while Mr. Huang was at Commerce.

(However, the Justice Department awaits a "proffer" — an offer of evidence about others — from Mr. Huang. If any such proffer before or after an indictment shows presidential involvement in illegal fund-raising, Justice would finally pass the case to an independent counsel.)

The network of naysayers to the Congress, whose silence appears coordinated by a corps of private and public attorneys, includes five others whose names I can't get. The stone wall has its fissures — some FOBs, or Friends of Bill, are giving Senate depositions — but rarely has Congress been so systematically stiffed.

How can the Senate break through? Step One is to call all these witnesses to a public hearing in July, before the August recess. Let those who wish take the oath and then personally give their variations of "I decline to testify because anything I say may tend to incriminate me."

I'm a civil libertarian who zaps the ACLU when it fails to take unpopular stands. I believe that the right of individuals not to testify against themselves is sacred, and that it is un-American to impute guilt to invokers of the Fifth.

But there is no right or law or even custom that says the Fifth should be taken only through lawyers by letter. It's easy to go along with lawyers who say, "I'll notify the committee you won't testify." Witnesses are more likely to testify when required to come before the Senate to decline in person.

Estes Kefauver resolved the publicity problem for Fifth-takers a half-century ago. He ruled that witnesses could demand that their faces not be televised. One of early television's enduring images is that of the hands of Frank Costello, the leading racketeer, as he asserted his right not to testify and preference not to be seen. The time has come for another show of hands.

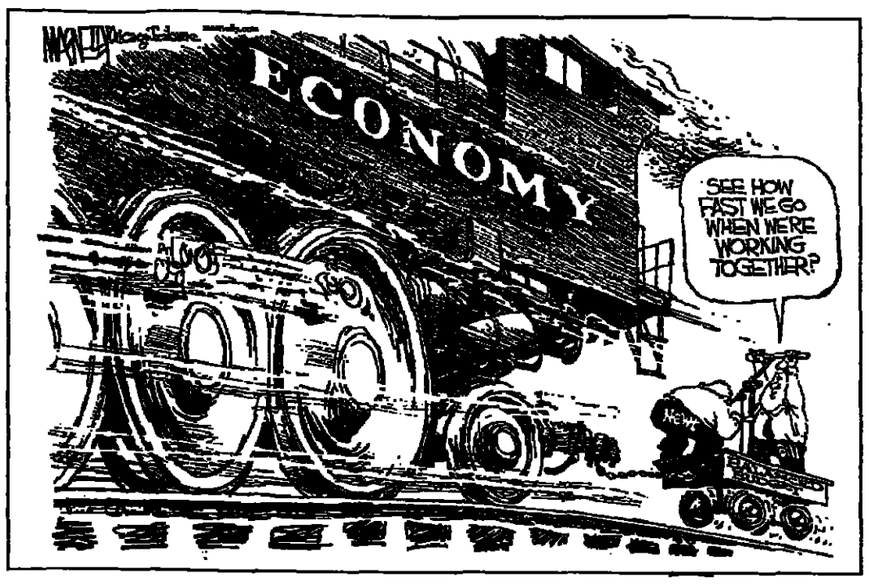
Step Two is to counter the cabal of White House and Democratic National Committee lawyers and some Democratic senators determined to delay the proceedings until the committee clock runs out on Dec. 31.

We saw this conspiracy work when a witness from a California Buddhist temple was in Washington to appear before a grand jury. Senator Thompson wanted to subpoena her. But Democrats leaned on the ranking minority member, John Glenn, to delay the issuance, which he uncomfortably did. The subpoena was not issued until after the witness, Hsiu Chu Lin, left town. On Tuesday, lawyers for 16 Buddhist monks told the committee their clients may take the Fifth.

The foot-dragging conspiracy is also at work in the DNC's refusal to turn over fund-raising papers to the Senate with the delaying tactic of lawyer-client privilege. This apes Clinton claims being appealed to the Supreme Court to drag out the independent counsel's Whitewater investigation. Only reason for the DNC claim: delay. Proper Senate response: Vote promptly to seek a court's civil contempt order.

Americans have a right to take the Fifth. The public has a right to see Mr. Clinton's organized parade of supporters taking it.

*The New York Times.*




## LETTERS TO THE EDITOR

### Croatian Abuses

*Regarding "Croatia Quietly Seizes Homes of Serbs Who Fled War" (May 15):*

The Croatian government program to confiscate thousands of houses that once belonged to ethnic Serbs runs afoul of the European Convention for the Protection of Human Rights and Fundamental Freedoms. The first protocol to the convention has been held to require just compensation for the legitimate taking of property.

The Croatian confiscation is neither legitimate nor accompanied by just compensation. The existence of such a program of abuses alone should bar membership for Croatia in the European Union.

ARTHUR C. HELTON.
New York.

*The writer is director of the Open Society Institute.*

### Battling Bribery

*Regarding "OECD Takes a First Step in the Battle Over Bribery" (May 29):*

The article reports that the Organization for Economic Cooperation and Development will make renewed efforts within a year to follow the precedent of the United States, to convince member states to enact legislation to make corporate bribery of foreign officials a criminal offense. Best of luck!

In the competitive world of top banking, legal and accounting firms, the facts of today's business life make one pessimistic about curtailing business bribery.

For the OECD initiative to lead to enforceable action against corporate bribery, theft of national wealth and other sources of illicit money worldwide, all on- and offshore bankers, lawyers, accountants and operators of national border-penetrating electronic money transfer systems will have to be conscripted into the battle.

KARL A. ZIEGLER.
London.

*The writer is director of the Centre for Accountability and Debt Relief.*

### Hong Kong Island

*Regarding "Rock of Ages" (Letter, May 13):*

Yes, part of Hong Kong was leased to Britain for 99 years. But Hong Kong Island? The island was ceded in perpetuity to Britain under the 1842 Treaty of Nanking. In spite of this, Hong Kong Island will also be given back to China on July 1.

So perhaps Gibraltar is right to ponder Hong Kong's fate.

PAMELA S. COTTI.
Rome.

### Pleasant Memories

In the midst of all the horrendous news about the Congo, it was refreshing to read John Vinocur's story "When Zaire Didn't Seem to Make the Really Worst Big Leagues" *(Meanwhile, May 23).*

Like Mr. Vinocur, I have very pleasant memories of the Congo/Zaire and can also say that I quite loved the place. I was there in the late 1950s. Our house — the residence of the American consul general (my father) — was on the banks of the Congo River, and every day I, too, watched the "lily pads and clumps of hyacinths bobbing on its brown wavelets." We risked bilharzia and crocodile attacks to swim in and even water-ski on that muddy river.

But my memories encompass more than just the country's geography: Indelibly etched in my mind are the people like my Congolese classmates in elementary school who struggled even more than I did with French, Flemish, Latin and Belgian geography and history; and adventures such as taking the paddleboat down the river from Kisangani/Stanleyville to Kinshasa/Leopoldville.

I do not mean to imply that the 1950s were golden years for the Congo. On the contrary, the Belgians are to be faulted for taking everything and giving nothing to their African colony. Nonetheless, unless Laurent Kabila can dramatically reverse the dismal legacy of both the Belgian colonizers and Mobutu Sese Seko's 32-year regime, the news from the Congo can only get worse.

SYBILLA GREEN DORROS.
Boston.

# *The Stressed Society: Americans and Time*

By Robert J. Samuelson

WASHINGTON — We Americans are addicted to anxiety (a.k.a. "stress"). We deplore it and claim to resist it, but we actually crave it and aggressively pursue it. We overschedule ourselves and our children and try to cram ever more activity into the day. We are awash in time-saving devices that, lo and behold, consume more and more of our time. As a result, we have never had more free time and have never felt so oppressed by the scarcity of time.

**MEANWHILE**

Every new gadget spawns new stress. On plane trips — which often provide rare opportunities for idle time — the tiny screen of the GTE Airfone urges us to resist: Why Wait? Check Voice Mail. Call the Office. Phone the Kids.

The very devices that were supposed to ease the demands on our time create new demands. We're flooded with faxes, recorded messages and e-mail. This is virtual anxiety. We need never be out of touch with our (or someone else's) concerns. The latest personal or global calamity can be "accessed" instantly.

These are new expressions of an old condition. Even in 1971, 73 percent of adults (those 18 and over) judged themselves "always" or "sometimes" rushed. By 1995 that was 83 percent. Yet free time is clearly on the rise. We live longer, retire earlier and spend less time on the job. In 1920 average life expectancy was 54; now it is 76. The factory workweek in 1920 was 47 hours; now the average workweek is 39. This process continues. Free time — loosely defined as what remains after sleeping, eating, child care, housework and the job — is still expanding.

We know this from a new study by John Robinson, professor of sociology at the University of Maryland, and Geoffrey Godbey, professor of leisure studies at Penn State ("Time for Life: The Surprising Ways Americans Use Their Time"). It is not merely that later marriage, fewer children and earlier retirement continue to reduce two large claims on people's time: jobs and child-rearing. Even for workers, free time has generally increased. Between 1965 and 1985, the average time spent by employed men at their jobs dropped from 47 to 40 hours a week, reckon Mr. Robinson and Mr. Godbey. The decline for women was from about 37 to 31 hours.

The Bureau of Labor Statistics, however, puts the average workweek in 1996 at 42 hours for men and 36 hours for women. But those figures come from a small part of a long survey with questions on many subjects. Typical respondents may reflexively give the number of hours they're scheduled to work. By contrast, Mr. Robinson's data come from detailed "time diaries" that force people to account for 24 hours.

In 1840 Alexis de Tocqueville wrote in "Democracy in America" that the American "is always in a hurry. ... Besides the good things that he possesses, he every instant fancies a thousand others that death will prevent him from trying if he does not try them soon. This thought fills him with anxiety, fear and regret."

Sound familiar? Even retirees and college students — two groups that have more free time than most — regularly report themselves rushed, says Mr. Godbey. Time is inevitably scarce if you always fear you're missing something. TV is a constant distraction; it takes about 15 hours a week. While some technologies save time, they don't depress stress. The advance in household technology helped millions of housewives and mothers take paying jobs. The result is that the two-earner couple — especially the couple with children — is now ground zero in the time famine.

Belonging to this class, I sympathize with its complaints. We feel overwhelmed. But we forget a few things. We're a distinct (if large) minority: only 18 percent of households. And our problem is less scarce time than competing ambitions. It's hard to serve multiple masters: to be an attentive parent and a successful careerist.

We say we seek repose, but even our recreations are often frantic efforts to outdo each other in fun, adventure and experiences. All the striving, comparing and competing infuse America with its vitality and, at the same time, create what may be our largest national deficit: peace of mind.

*Washington Post Writers Group.*


# A GLOBAL COMPETITION FOR TOMORROW'S LEADERS

World Business Council for Sustainable Development

FIFTH IN A SERIES

TODAY, ON UN ENVIRONMENT DAY, TOP BUSINESS LEADERS ARE CHALLENGING 1 MILLION STUDENTS WORLDWIDE TO TAKE A VERY SPECIAL EXAM ON THE INTERNET, THE SUSTAINABLE BUSINESS CHALLENGE EXAM. THIS INTERNET COMPETITION WILL DETERMINE WHO IS BEST SUITED TO RUN TOMORROW'S CORPORATIONS.

The Sustainable Business Challenge Exam has been developed by the WBCSD in partnership with AIESEC, the world's largest student organization, and the United Nations Environment Program (UNEP). This unique initiative is being launched to test how much students know about the environment and corporate social responsibility. It is a multiple-choice examination for those who want to show to future employers that they know the business basics about sustainable development — or for those who just want to test their own skills and understanding about environmental issues.

What does it take to pass the Sustainable Business Challenge Exam? You need to know about eco-efficiency, design for environment and the "green premium." You have to explain what "closing the loop" means for manufacturing, and how shareholder value is linked to environmental performance. If you can provide correct answers to these and most of the 50 other questions, you will have passed the exam and demonstrated that you have the potential to become a business leader tomorrow.

*"The WBCSD's Sustainable Business Challenge initiative is a reminder to us all that the sustainability agenda is developing faster than almost any other part of the business agenda — and that the relevant understanding and skills are likely to be necessary conditions of success in the 21st century business world."*

LIVIO D. DESIMONE
CHAIRMAN AND CEO, 3M
CHAIRMAN, WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT

**Boardroom to classroom**

What exactly does the sustainability challenge mean for future business careers? How well are students prepared to meet the recruitment requirements of corporations? Surveys indicate that today's students, the leaders of tomorrow, have a poor understanding of environmental facts, and some business students even believe that showing an interest in the environment may harm rather than help their chances of finding a good job. The truth of the matter is that the most profitable companies around the world are those that have made the environment part of their business development.

Indeed, companies are integrating environmental and sustainable development priorities into their core business activities, and they expect those they recruit to be aware of these issues. Two decades ago, only a few pioneering companies were discussing environmental issues in their boardrooms. Today, these issues have become standard items of business strategies and plans, and companies that continue to ignore sustainable development will simply lose their license to operate.

**The next generation of business leaders**

This is why the WBCSD wants to challenge students in finance, economics and business to prove they have the leadership and business vision the corporate world needs. Until now, environmental education has focused mostly on environmental management but has not succeeded in providing busy students with the minimum knowledge they need: a road map explaining the key trends and forces emerging in the global environment, as well as the ability to anticipate them.

Today, the WBCSD intends to raise the environmental literacy of 1 million potential business leaders worldwide and show them how this will benefit their future careers. By logging in now at http://www.wbcsd.ch/foundation, you can help the council achieve this — and increase your chances of finding a good job.

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**What Is the WBCSD?**

A group of 122 companies from 37 countries who share a commitment to sustainable development. The WBCSD also benefits from a global network located in developing countries and countries in transition. It believes training and education are essential in raising awareness of sustainable development. NORLET, a three-year project run by six of WBCSD's Scandinavian members, aims at training 600 Russian managers. The initiative includes internships and workshops with the sponsoring corporations and integrates modern management and sustainable development strategies.

**The Challenge**

The **Sustainable Business Challenge Exam** will be available on the Internet until December 1997 at http://www.wbcsd.ch/foundation.

To help students take this exam, the WBCSD has developed a guide, the **Sustainable Business Challenge Brief,** designed as a series of briefing documents for a corporate board meeting in the year 2017. It was developed together with corporate environmental staff, students, professors and environmental experts, in partnership with UNEP. The Brief is on the Internet and will later be in paperback.

Students who pass the exam will receive a WBCSD **Sustainable Business Challenge Certificate,** and the top five students will be invited to the WBCSD Council Meeting in November 1997 in Prague. The WBCSD encourages all students to mention this certificate when applying for a job at one of its 122 member companies. For more information about this initiative, contact Jan-Olaf Willums at the WBCSD (tel.: 41 22 839 3150, fax: 41 22 839 3131), or the WBCSD's Foundation for Business and Sustainable Development in Norway (tel.: 47 67 58 18 00, fax: 47 67 58 18 75, e-mail: foundation@wbcsd.ch).

**WBCSD MEMBER COMPANIES**

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# Germany's Social Crisis Pits Young vs. Old in Battle for Benefits

By Alan Cowell
*New York Times Service*

BONN — Timm Gossing is about to start his first full-time job, writing tourism brochures about towns in Eastern Germany. And already, he feels certain that he will not be shepherded down life's byways in quite the same way as his forebears.

Though the prospect seems distant, he doubts that his retirement years will be underwritten with the sort of generous state pensions available to his parents' generation. More immediately, he believes that his first paycheck will leave little for luxuries after the government deducts its share of pension and social-welfare contributions.

"We are living out the modernization of Germany," Mr. Gossing, 27, said in an interview in Berlin. "And it's going the American way: people will have to work harder for less money. The security that they had in the past just won't be there."

Mr. Gossing is describing a squeeze that many other Europeans might recognize. It is the common assumption that the guarantees of the welfare state need to be reined in if future generations are to inherit a healthy economy. But the burden will fall heavily on the young adults of today, and they can reject it at the polls. That choice is playing out all across Europe these days, and it helped to bring down the conservatives in the parliamentary elections in France last Sunday.

In Germany, these problems have a special force. A vivid illustration is what could happen to the country's pension plan.

Just as Germany's leaders are concluding that they can no longer afford the pensions and other benefits that a previous generation took for granted, the country is laboring under the costly burdens of reunification and pressure for greater austerity to achieve Chancellor Helmut Kohl's cherished dream of a single strong European currency.

Mr. Gossing is entering Germany's work force of 40 million people at a critical moment: unemployment is stubbornly high; the government talks increasingly of paring benefits, and two generations have become rivals for the substantial leftovers of Germany's prosperity.

The conflict taking shape is between the retirees, who worked long hours for Germany's economic miracle of the 1950s and 1960s, and the 20- and 30-somethings who increasingly are being called on to finance that generation's retirement.

"This is the looming problem," said an official of the Education Ministry in Bonn, who spoke on the condition of anonymity. "We are not talking left-right as the basic social division, but young-old."

Indeed, for the young, the newspaper Die Woche said recently, "the prospect of lower pensions at the end of a working life marked by higher contributions is causing many young employees to doubt the validity and justice of the system."

The reason for such prognostications is that, under a system dating back to Bismarck and the original German unification, in 1871, pensions paid out today are financed by the paychecks of people like Mr. Gossing, whose late entry into the job market is not unusual for German college graduates.

The system means that, as people of his age pay pension withholdings, the money is not put aside to grow for future pensions, but is used to pay the needs of those now retiring. In other words, some Germans say, the old exploit the young.

Additionally, as German society ages and birth rates dwindle, more and more old people will be looking to a shrinking younger generation to support them, meaning that either the old could get smaller pensions or the young may have to pay more to support them.

The American Social Security system is somewhat similar, in that current workers pay much of the costs of benefits for retirees, but the benefits are not as generous as Germany's and the demographic disparities are far less severe.

In Germany, the young seem oddly disadvantaged. While Germany's 16 million pensioners are not organized in the same powerful lobby as are the 35 million retirees in the United States, they are among the nation's most conscientious voters, meaning that political parties court them. By 2030, the government forecasts, more than a third of the population will be over 60.

One idea for addressing these problems was gradually to increase the retirement age for women to 65 years from 60, and for men to 65 years, from 63. That proposal became law last year.

Another suggestion this year drew howls of protest by suggesting higher taxes on retirees. At present, retirees qualify for state pensions worth 70 percent of the salaries they earned in their final years at work. The government's idea is to reduce that to 64 percent.

Germany's pensions system looked like a winner in Bismarck's day, Mr. Kohl is fond of saying. Life expectancy for most Germans then was 45 years or less, while the retirement age was 65.

These days, people often live well into their 70s and 80s, young people postpone their entry into the work force as long as possible, and many people try to retire at a younger age under the lucrative plans offered by some employers.

Even then, the system might work if Germans had large families to feed into it. But, particularly in Eastern Germany, they do not. Along with Italy and Spain, Germany has long had one of the lowest birth rates in Europe. According to European Union figures, there are a statistical 1.26 children in the median-sized German family.

The problem is embedded in a broader question bedeviling the Germans as they reach what Ingeborg Allihn, a retired musicologist and part-time journalist, refers to as a "change of epoch."

"The problems are so big in this society that it cannot go on like this for long," she said in an interview.

The uncertainty is perceived differently by East Germans and West Germans, divided still by what some call a spiritual and mental version of the Berlin wall. For East Germans, the challenges to Germany's welfare state, which arise from global economic pressures and the dictates of European economic integration, come as a second rude shock after reunification seven years ago confronted them with a society that many see as offering far less security than communism. The old East Germany, Mrs. Allihn said, was "a cozy, warm, very comfortable place for people who wanted to exist with a minimum of effort."

Reunification has been costly for West Germans, not least because they took over the pensions obligations of the bankrupt East.

For West Germans looking for a scapegoat, the easiest targets are people perceived to be milking the system without paying their dues — predominantly East Germans and ethnic Germans from the former Soviet Union, millions of whom qualify for state pensions paid in hard Deutsche marks, even though they paid in pension contributions in now-worthless rubles and East German marks.

# General to Lead Israel's Labor Party

## *Ehud Barak's Tough Image Seen as Counterforce to Netanyahu*

By Barton Gellman
*Washington Post Service*

JERUSALEM — A year after Israeli voters drove it from power, the Labor Party bid anew for the prime ministership Wednesday by anointing Ehud Barak, a tough-minded general, as its standard-bearer in elections by 2000.

On his way to victory, he nudged aside former Prime Minister Shimon Peres, who had sought to delay the succession and to retain a modicum of power with a newly created post of party president. The latest of many sad moments for Mr. Peres lately came when he showed up to vote without his identity card. He had to ask for special dispensation to cast a ballot.

Mr. Barak defeated three other candidates, winning 51 percent of the vote. He defeated Yossi Beilin, Shlomo Ben Ami and Ephraim Sneh.

Consciously styling himself after Yitzhak Rabin, the slain Labor prime minister who also came to public life from the nation's senior military post, Mr. Barak centered his campaign on the argument that no one else could bring Labor back from exile. "Only with Barak will we win," a rhyming slogan in Hebrew, appeared on every Barak poster and on tens of thousands of bumper stickers and buttons.

There was more than a passing resemblance in that to the campaign of "electability" that brought Prime Minister Benjamin Netanyahu to the Likud Party chairmanship four years ago. Both men assumed their positions as outsiders, succeeding much older leaders — Mr. Peres is 73, and Likud's Yitzhak Shamir was then 76 — who had just been turned out of office in general elections.

Mr. Barak's ideological critics on the left, coining a term of derogation from Mr. Netanyahu's nickname, describe Mr. Barak as "Bibi-compatible" in other respects. As a freshman member of Parliament, Mr. Barak voted against Mr. Rabin's last major agreement with the Palestinians, in September 1995, and he expressed solidarity with criticism by the Likud hawk Ariel Sharon of January's agreement on an Israeli troop pullback from the West Bank city of Hebron.

For most party members, that was not the point. Under Israel's new system of direct election, Labor needs a candidate who can go head-to-head with Mr. Netanyahu and withstand the Likud leader's stinging accusations of softness on terror.

Mr. Netanyahu skillfully harnessed voters' fears that Mr. Peres lacked the strength to defend Israel's interests against Arab enemies while pursuing peace. Mr. Peres, who never served in uniform, suffered in this argument by the aura of expertise Mr. Netanyahu brought as a former soldier in the Sayeret Matkal, Israel's anti-terrorist army unit. Mr. Barak was Mr. Netanyahu's commander in the Sayeret Matkal.

Short and compact, Mr. Barak is the subject of storied exploits as a soldier. In April 1973, he donned a wig and women's clothing to infiltrate Beirut and help gun down Mohammed Najjar, a senior leader of the Black September unit that had carried out a number of terrorist attacks.

Mr. Barak, in his campaign and in his triumphant appearance after midnight at his Ramat Gan headquarters, did not emphasize peace. "This is the first step of hope, the first step of renewal, the first step to the victory which will lead us back to government," he said. He appropriated a slogan from the Likud-led coalition of rightist parties, calling Labor and its allies "the true 'national camp'."

Scarred by decades of infighting between Mr. Rabin and Mr. Peres, whose bitter rivalry absorbed much of the party's energies, Labor activists were relieved to see a clean and even bland contest for leadership this time.

But if the prevailing political wisdom is right, his party is in for some unpleasant surprises. Nahum Barnea, a columnist writing in the newspaper Yedioth Aharonoth, noted that Mr. Netanyahu rode to power on a coalition of the disaffected — ultra-Orthodox Jews, religious nationalists and a majority of Jews of Middle Eastern and North African descent and recent immigrants from former Soviet republics.

This coalition, still a clear majority of Israeli voters, is "united by hostility to the old Labor-dominated Israel and also to Arabs," Mr. Barnea wrote. The new Labor leader "will need to toss aside the party which elected him, just as Tony Blair did in Britain."

### ■ Cabinet Gets Peace Plan

Prime Minister Netanyahu presented his outline of a permanent peace agreement with the Palestinians to his cabinet for the first time Wednesday and reportedly said Israel must retain large chunks of the West Bank, The Associated Press reported from Jerusalem.

Mr. Netanyahu told the ministers he did not want to sketch maps yet, according to Israel Army Radio.

Last week, the newspaper Ha'aretz published a map it said represented Mr. Netanyahu's view of a permanent peace agreement, with less than 40 percent of the West Bank in Palestinian control.

Mr. Netanyahu reportedly told the cabinet on Wednesday that Israel would seek to retain control over Jewish settlements ringing Jerusalem, over the Jordan Valley and over major settlement clusters in the West Bank.

Yoav Lemmer/Agence France-Presse

Ehud Barak at the grave of Yitzhak Rabin in Jerusalem on Wednesday.

# LABOR: *Pact in Germany*

Continued from Page 1

worth imitating." Germany's other big unions greeted the agreement with caution. I. G. Metal, the nation's biggest, declined to issue any comment.

The contract is not without precedent. Germany's giant metalworkers' union, I. G. Metal, approved a similar clause several years ago for chemical companies in the former East Germany. And the union has also agreed to a provision that would allow west German companies to negotiate for a reduction in the number of paid hours in a standard workweek.

But labor experts said the chemical pact goes much further than any previous deal between industry and unions, because it opens the way toward greater flexibility in west Germany, which is more prosperous and more resistant to change than the deeply depressed former communist states of east Germany.

Beyond that, they said, it appears to give more control to local union councils, often more sympathetic to pleas from companies than the national unions.

"It is a big step toward decentralization of the collective bargaining process," said Peter Geist, a labor policy analyst at the Organization for Economic Cooperation and Development in Paris.

More than ever before, unions across Europe are under pressure to give companies more freedom in their ability to hire, fire and assign people to new jobs.

With the exception of Britain, the Netherlands and a handful of other nations, most countries in Europe have become bogged down in high unemployment that industry routinely attributes to the rigidity of the workplace. Because it is extremely difficult and expensive to lay off workers industry executives have complained that the mere act of hiring a fulltime employee has become a risky proposition.

The chemical industry, one of Germany's most important industrial sectors, has lost about 60,000 jobs since 1993, union officials say, and the outlook, at least within Germany's borders, remains gloomy.

Labor experts said that I. G. Chemie, the chemical union, has already been among the most innovative and flexible unions in Germany. Rudolf Heim, a spokesman for the union, said its overriding goal was to preserve jobs and to reach solutions in conjunction with companies that are in severe financial straits.

The agreement does not allow companies to unilaterally declare they need more money and then to cut wages. A company would have to open its books to union representatives and demonstrate that workers would be in severe jeopardy of losing their jobs without a wage reduction. Companies also would win a right to re-adjust work hours.

# KOREA: *Student Riots in Seoul Over Corruption Weaken Government at a Delicate Time in Foreign Relations*

Continued from Page 1

seeking a second five-year term in December's election. A group of hopefuls, called the "nine dragons," are jockeying to win the presidential nomination of Mr. Kim's New Korea Party. Analysts say all the scandals may reduce the contest to the basic issue: Who can best lead the party away from the specter of sleaze?

Democracy is still maturing in South Korea, where Mr. Kim is the first freely elected nonmilitary leader in more than 30 years.

Optimists view the money scandals as proof of two democratic advances: increasingly free news media, which have educated the public about the amazing sums of cash flowing through politics, and a more independent court system, which has broken away from the oppressive control of the Blue House, as the president's office is called.

Even a few years ago, it seemed unimaginable that the president's family could be investigated. But last month, the president's son, Kim Hyun Chul, was jailed on bribery and tax-evasion charges amid allegations that he had laundered millions of dollars in dubious "donations" from business leaders via about 100 bank accounts.

As the president's son, who also served as his father's adviser and campaign manager, sits in jail, many say a power vacuum has paralyzed the country. And they say such a paralysis is dangerous, with North Korea short on food for its hungry people and long on missiles and firepower.

"Every country in the world has corruption, but our government has ground to a halt," said Choi Young So, a salesman who expressed the concern many feel. "We have an economic crisis. Suppose we had a military threat from North Korea?"

"The president seems to have lost his ability to steer the government," said Park Jai Chang, professor of public administration at Sookmyong University in Seoul. "The government is in chaos."

Many people euphemistically call bribes gifts. They are so much a part of the culture that Moon Chung In, a political science professor at Yonsei University, said that in some cases they were the "shadow price" of doing business in South Korea.

Parents sometimes give money to schoolteachers with the understanding that it means the teacher will pay extra attention to their child. Politicians dole out cash at weddings and wakes, even if they do not know the person, because it is expected of them. Salesmen routinely close deals with big customers by slipping them an envelope full of money.

Even so, the public has been shocked by the scale and scope of political slush funds. This year's trial involving Hanbo Iron & Steel Co., a conglomerate that employs 25,000 people, mesmerized the country as it learned how a business tycoon had slipped millions to lawmakers.

As the extent of the corruption becomes more fully known, public dismay turns to anger. People now realize in excruciating detail that their taxes and jobs are affected by sleazy alliances between government and business. Every day, 53 businesses go bankrupt here, the highest level of failures since 1982, and many people are blaming the government.

The Associated Press

Algiers residents watching security forces around the body of a terrorist suspect.

# ALGERIA: *On Eve of Poll, Voters See a Glimmer of Hope*

Continued from Page 1

immediate result, but I think that over the long term, civil society will benefit," said Jean Lavoie, a Canadian consultant to the Washington-based National Democratic Institute, which organized the U.S. observer team. "Every time you give people a window of opportunity to express their views," he said, "it gives the people some oxygen."

After decades of one-party military-backed rule that followed independence from France in 1962, Algeria experienced a brief period of political openness that began in 1989. But that window slammed shut in January 1992, when the government canceled elections rather than permit a victory by the Islamic Salvation Front, which tapped into widespread public anger at corruption, acute housing shortages and 30 percent unemployment.

The decision to cancel the elections, ban the Islamic Salvation Front and jail its leaders posed a quandary for Washington and other Western capitals, which have struggled to find a middle ground between their professed support for democracy and fears of an Islamic fundamentalist regime in the strategically important region. Algeria is a major producer of oil and gas and southern European countries fear a tide of refugees if stability is not restored.

The government has taken halting steps to restore some of its legitimacy. Mr. Zeroual stood for election in 1995 and won a strong victory amid high voter turnout that was interpreted by many analysts as a sign that Algerians were sick of the violence and willing to turn their backs on the Islamic Salvation Front.

Last November, however, Algeria seemed to take a step back from democracy with the approval in a national plebiscite of a new constitution that bans political parties based on religion and ethnic identity and sharply limits the powers of the National Assembly. The new constitution created a new upper house, one third of whose members will be appointed by Mr. Zeroual, giving him effective veto power over any parliamentary decision.

# Kabila Accuses France of Arming Mobutu Loyalists

*Reuters*

KINSHASA, Congo — President Laurent Kabila's government accused France on Wednesday of providing arms to supporters of the ousted dictator Mobutu Sese Seko to destabilize the country.

France, a longtime supporter of Marshal Mobutu, who held sway over Africa's third-largest nation for over three decades, dismissed the allegation.

A French Embassy official said, "Since this conflict began, we have not provided any weaponry to Zaire, in compliance with the European Union arms embargo, and we are not about to start now."

France, the United States, Britain, Belgium and Portugal deployed troops in Congo Republic, a former French colony, during the final weeks of the seven-month civil war that brought Mr. Kabila to power in the former Zaire in May.

The aim was to evacuate foreign nationals from neighboring Kinshasa in the event of serious bloodshed, but the need did not arise. Some French troops have stayed on in anticipation of next month's presidential elections in Congo Republic.

Ognamy Maurice, Congo Republic's ambassador to Kinshasa, also denied that his country would permit any such traffic in arms.

# RUSSIA: *Killings Reflect an Army in Despair*

Continued from Page 1

occasionally cited as the immediate cause for the shooting rampages. The military prosecutor's office has said that more than 1,000 Russian soldiers were killed last year under a wide variety of circumstances, including hazing, and that more than 500 committed suicide. Many more were beaten so badly they were hospitalized.

"Two thousand soldiers come to us after being beaten and having deserted every year," said Lyubov Melnikova, spokeswoman for the Committee of Soldiers' Mothers. "In the best cases, they run. In the worst cases, they kill themselves or kill fellow servicemen."

The most recent incident, at dawn Sunday, was also the bloodiest.

A sergeant at a military base in Abkhazia, a breakaway region of Georgia, shot and killed 10 of his fellow servicemen while they slept, wounded three others and then killed himself.

Russian television carried a spotty report that suggested the sergeant's mother was an alcoholic who may have somehow embarrassed him during a visit to the base. No official explanation was offered and the authorities said only that an investigation was under way.

General Shatalov, the armed forces spokesman, said "a very deep analysis" of the event was being carried out.

# NATO: *French Military Re-entry Doubtful After Elections*

Continued from Page 1

sible compromises with the French.

Discussions are still going on in advance of a NATO summit in Madrid early next month that will decide which central European countries to invite to join the Alliance.

But U.S. and French officials say that most of the possible compromises on the Naples command have been explored without agreement.

The French president has a key constitutional voice in defense issues, regardless of who controls the government. Now that the Socialists, supported by the French Communists, are in charge, it is hard for officials and defense experts here to envisage Mr. Chirac's flouting their opposition to closer links with NATO.

"In view of the Socialist victory, it seems unlikely that France will decide in the immediate future to reintegrate into the NATO military structure," said Professor David Yost, a senior fellow at the U.S. Institute of Peace in Washington.

"Ever since 1995, the Socialists have argued that not enough has been obtained from the Americans to justify reintegration," Mr. Yost said.

The French and most of the other European allies have also not yet reached consensus with the United States over which countries should be invited next month to join NATO.

Almost all of them agree that Poland, the Czech Republic and Hungary should be among them, but France is pushing for Romania to be included and supports Italy and other countries on bringing Slovenia in with the first wave as well. Mr. Jospin supports expansion and wants Romania to be invited to join.

هكذا من الأصل

# HEALTH/SCIENCE

هكذا من الاصل

TOMORROW: LE GOÛT

## le for Benefits'

## A Diet That Copes With Most Modern Health Concerns

By Jane E. Brody
*New York Times Service*

NEW YORK — Can one diet help prevent heart disease, cancer, high blood pressure, obesity and diabetes? And will people eat it, enjoy it and leave the table satisfied? The answer increasingly appears to be yes.

This "miracle" diet is available now in the grocery store. It is relatively low in fat, deriving less than 30 percent of daily calories from fat, but loaded with fruits and vegetables (eight to 10 servings a day) and grains (seven to eight servings). It also contains two to three daily servings of low-fat or nonfat dairy products but only modest amounts of lean meat, poultry and fish (two or fewer three-ounce cooked servings a day) and dried beans, nuts and seeds (four to five servings a week). No exotic foods, no supplements, no herbal concoctions.

And, unless most of your meals are from coffee shops and fast-food restaurants, it is not as challenging to live on the diet as many people think. In the most recent demonstration of its benefits, a study financed mainly by the National Heart, Lung and Blood Institute, 459 men and women with mild hypertension or borderline high-normal blood pressure lived on just such a diet for eight weeks.

No changes were made in how much salt they consumed (three grams of sodium a day, which is about the national average) or alcohol they drank or physical activity they undertook. In addition, their caloric intake was adjusted to keep their weight stable, even if they were overweight. They took no pressure-lowering drugs or vitamin-mineral supplements.

Even though participants did not lose weight, reduce salt and alcohol intake or exercise more — the usual prescription for controlling mild hypertension — their blood pressures dropped significantly, as much as might be expected if they had taken medication. The drop occurred within two weeks of starting the diet and persisted throughout.

As Dr. William M. Vollmer, a coordinator of the study, put it, "This means that people with mild hypertension can lower their blood pressure with more natural means and get off drugs or reduce the amount of medication they have to take."

Dr. Vollmer, of the Kaiser Permanente Center for Health Research in Portland, Oregon, also noted that "this diet is consistent with the disease-preventing diets that have been proposed by other groups," including the American Heart Association, the American Cancer Society, the American Health Foundation and the National Cancer Institute.

The new findings also suggest that "foods, not supplements, are the way to go," Dr. Vollmer said in an interview. "We can't tell whether the good results were due to calcium, low fat or less protein combined with lots of fruits and vegetables," he said.

But the researchers did show that a low-fat diet that included dairy products and lots of fruits and vegetables was more effective in lowering blood pressure than a diet rich in fruits and vegetables that was not low in fat and contained few dairy products.

Previous studies that tested the ability of single nutrients to reduce high blood pressure have yielded contradictory results. Once again, it seems that a combination of nutrients and other beneficial substances found naturally in foods, rather than isolated vitamins or minerals, provides the optimal health benefit.

Many Americans are intimidated by the current recommendation to eat even five servings a day of fruits and vegetables, so it is reasonable to assume that increasing to eight to 10 servings will seem formidable to most.

BUT a single serving means only half a cup of cooked fruit or vegetables, half a grapefruit, a medium apple or orange, a small banana, 6 ounces of fruit or vegetable juice, a quarter cup of dried fruit or 1 cup of raw leafy greens.

Have fruit juice and perhaps a banana, berries or a wedge of melon with breakfast and you're off to a good start with two servings. Lettuce and tomato on your lunch sandwich, a side order of slaw and an apple or grapes for dessert or a snack add three servings. A salad with dinner and one or two cooked vegetables would add four or more servings, and you have met the goal.

As for the grains, one slice of bread, half a cup of rice, pasta or dry or cooked cereal each equal a serving. Now, who eats just half a cup of pasta or cereal or even one slice of bread? You are more likely to have a cup of cereal (two servings), two cups of pasta (four servings), two slices of bread (two more servings) and a New York-size bagel (two to three servings), and you have met that goal, too.

The dairy products are easy: one glass of milk in cereal, a container of yogurt, and an ounce and a half of low-fat or nonfat cheese will give you three servings and enough calcium to meet the daily recommended intake for adults.

Here is a sample dinner menu from the national study, known as DASH, for Dietary Approaches to Stop Hypertension: three ounces of baked cod, one cup of rice, one-half cup broccoli, one-half cup of stewed tomatoes, a very small spinach salad, one small whole wheat dinner roll, a teaspoon of margarine and half a cup of melon balls. This adds up to these servings: one fish, three grains, four vegetables and fruits, and one and one-half fat.

The main complaint researchers got about such a meal was that it was too much food. This means that under ordinary circumstances, people might be inclined to eat less and, free from the strictures of the study, they would probably lose some weight.

As for how to go about learning to eat this way, start slowly, making evolutionary changes in your usual diet. Begin to plan meals around the carbohydrates and vegetables instead of the proteins.

For desserts and snacks, think low-fat and low-calorie: fruit, pretzels, nuts, diet drinks, nonfat yogurt, perhaps a little low-fat cheese and whole-grain crackers. And be moderate about alcohol.

## LABOR: Part in Germany

University of California, San Diego

*Christine Harris, graduate student researcher, and the "tickle machine."*

## The Well-Kept Secret of Methadone: It Works

By Christopher S. Wren
*New York Times Service*

NEW YORK — More than 30 years ago, Dr. Vincent Dole, a metabolic specialist, and Dr. Marie Nyswander, a psychiatrist, sought to reverse a worrisome rise in heroin addiction here.

Working at the Rockefeller Institute, as Rockefeller University was then called, the researchers sought to block the craving for heroin by substituting an opioid painkiller developed by German chemists during World War II.

More than three decades later, the synthetic analgesic they first tested in 1964, methadone, is accepted as the closest thing to a heroin cure. About 115,000 Americans take it regularly.

Yet by various estimates, only 5 percent to 20 percent of such users stay on it for more than 10 years. Some find they no longer want the medication. Others relapse into drug use. Many are put off by the cumbersome, often petty bureaucracy that administers methadone; misleading rumors that methadone is ruinous to health; and an insidious social stigma that, by equating methadone with illicit drugs, forces users to hide the achievement of taking back their lives.

"Successful methadone users are invisible," said Dr. Edwin A. Salsitz, director of the methadone medical maintenance program at Beth Israel Medical Center here. "Methadone is always judged by the failures."

One success story is James Maxwell. With his white beard and twinkling blue eyes, Mr. Maxwell resembles the poster grandpa for a bygone America. He confesses to having turned 80, brags about his four grandsons, and remarks, "No granddaughters — very disappointing."

As the hard-driving trumpet player Jimmie Maxwell, he toured with Benny Goodman, performed in the bands of Lionel Hampton, Duke Ellington and Gerry Mulligan, and worked for years as a studio musician on major radio and television shows.

"I don't think I missed a day of practice in more than 60 years," he said.

But Mr. Maxwell has a darker story to tell. In the prime of his career, heroin nearly killed him. He has stayed clean by taking methadone every day for nearly 32 years.

His wife of 55 years has known, of course, but hardly anyone else — not his employers or his neighbors, or his best friend, a retired federal drug agent. "Just for reasons of my career, I didn't talk about it," he said.

In that he is hardly alone. Because of its association with heroin, those benefiting most from methadone are least likely to risk their careers or reputations by saying so.

The stigma surrounding methadone was analyzed by Herman Joseph, a research sociologist who worked with Dr. Dole and Dr. Nyswander. Even an innocent yawn, he reported, can jeopardize a methadone user's job if the boss mistakes it as drowsiness induced by methadone rather than routine fatigue.

Yet the extensive medical literature on methadone does not contain a single report of methadone's failing to block the craving for heroin. "The safety and efficacy of methadone in the treatment of narcotic addiction have been documented more extensively than any other medication in the pharmacopeia," said Dr. Robert Newman, president of Beth Israel Medical Center.

REGULAR doses break the heroin user's wild swings between euphoria and withdrawal by stabilizing the level of opiates in the bloodstream. Dr. Nyswander's experience with relapses of detoxified addicts persuaded her that they could not shake heroin without substituting a less harmful narcotic.

"Marie was convinced that addiction was a disease and had to be treated with pharmacotherapy," said Dr. Mary Jeanne Kreek, an early colleague of Dr. Nyswander. Dr. Kreek now heads the Laboratory of the Biology of Addictive Diseases at Rockefeller University.

When the first patients were given up to 80 milligrams of methadone once a day in double-blind studies lasting eight weeks, she said, "they began turning away from drug administration and getting on with their lives."

Methadone is practical and effective, Dr. Kreek said, because it can be taken by mouth, its effects are felt gradually and it wears off slowly. Half of it remains in the body after 24 hours. Heroin's euphoric rush lasts only minutes. Minor side effects of methadone, including sweating, constipation and a reduced sex drive, tend to disappear.

Still, methadone has its skeptics, like Dr. Mitchell Rosenthal, president of Phoenix House, whose treatment programs strive for total abstinence. Because many addicts abuse multiple drugs and have limited education and job skills, he said, "they are not going to be chemically fixed by giving them another drug."

Dr. Salsitz agreed: "Methadone can't give you a job, or good manners or make you literate." But for healing the medical symptoms of heroin addiction, he equates methadone with what insulin is for diabetics and other medicines are for high blood pressure.

## What's So Funny? Tracing the Tickle

By Carol Kaesuk Yoon
*New York Times Service*

NEW YORK — It is an enduring mystery pondered over the ages by such luminaries as Socrates, Galileo and Darwin, as well as by many a preschooler: Why do people laugh when they are tickled? Yet tickling has remained little more than a cackle-filled curiosity.

Now a handful of researchers are approaching the subject cautiously and with due scientific gravity, shedding light on why people cannot tickle themselves and why humans evolved to laugh at all. Armed with such unlikely tools as "tickle machines" and videotapes of "Saturday Night Live," the scientists are finding that ticklish laughter is not the happy phenomenon that many have assumed it to be.

Christine Harris, a graduate student at the University of California at San Diego, one of the few researchers in the field, said, "It's actually quite bizarre that someone rubbing their fingers up and down your sides or foot makes you laugh." She and Dr. Nicholas Christenfeld at the university in San Diego are the authors of two new studies, the first of which was published in a recent issue of the journal Cognition and Emotion.

Dr. Alan Fridlund, a tickle researcher who is a psychologist at the University of California at Santa Barbara, said, "This is uncharted territory."

In the late 1800s Charles Darwin and Ewald Hecker, a German physiologist, began some of the first detailed theorizing about tickling, their combined speculation, now known as the Darwin-Hecker hypothesis, suggesting that humor and tickling share deep underlying similarities. Both produce laughter, goose bumps, convulsive muscle contractions and both, they suggested, appear to require a pleasant state of mind.

To test the hypothesis, Ms. Harris and Dr. Christenfeld enlisted 72 undergraduates at their university. The basis for the study is what is known as the warm-up effect, the scientific underpinnings for the phenomenon of the warm-up comedian. If a person finds something funny, researchers have previously shown, the next thing encountered will seem that much funnier because of an already giddy state.

So one group of students was tickled for 10 seconds, or until the tickling became intolerable, and then shown videotapes of stand-up comedy routines and clips from "Saturday Night Live." A second group watched the comedy video first and then was tickled. A control group watched a patently unfunny nature video, then was tickled.

Researchers postulated that if humor and tickling are related, and the warm-up effect applies to both, then subjects should laugh more when tickling follows humor or humor follows tickling. But that was not the case. Tickling, the study suggests, does not create a pleasurable feeling — just the appearance of one.

In fact, in the researchers' latest, still unpublished study employing a so-called tickle machine, they found that far from being the jolly social interaction that many people had assumed it to be, ticklish laughter may be a simple reflex.

Researchers blindfolded 32 undergraduates and told them that a person and a machine would tickle them on the feet, each for five seconds. However, the tickle machine actually did nothing. It looked plausible, with a robotic hand attached to a hose, which was attached to a metal box, on top of which were control panels with lights and buttons and inside of which was a nebulizer, a noisy, vibrating machine used by asthmatics. But in reality, both times students were tickled by a person.

EVEN when students believed they were alone and being tickled by the machine, they smiled, laughed and wiggled as much as when they knew it was a person. Ticklish laughter, Ms. Harris concludes, rather than being social interaction, appears to be a reflex, much the same as the one a doctor elicits from a patient's knee with a rubber hammer.

But if tickling is indeed a reflex, that raises an even more perplexing question: Why can't people tickle themselves? Ms. Harris suggests that it may be the same reason that people cannot startle themselves. What is missing is the element of surprise.

## U.S. Hurricane Warning: More and Bigger

By William K. Stevens
*New York Times Service*

NEW YORK — The East and Gulf coasts of the United States may be entering a long-anticipated, prolonged siege of more frequent and more destructive hurricanes, forecasters say. They predict that this summer, more hurricanes than normal will develop in the tropical North Atlantic for the third straight year.

This would make 1995-97 the most active three-year period on record for the pinwheeling oceanic cyclones, and the experts say that could be only the beginning.

The 1970s, 1980s and early 1990s were a time of relatively infrequent hurricanes. Those years did have their big storms: 7 of the 10 most costly hurricanes ever to strike the U.S. mainland did so over that stretch, including Hurricane Andrew in 1992, the costliest ever.

But a new federal study attributes the trend of escalating damage over that period to expanding population and exploding development rather than more frequent or powerful storms.

Now the atmosphere and ocean appear to have entered a new and more ominous hurricane phase. Some experts believe the turbulent stretch beginning two years ago signifies a return to the 1940s, 1950s and 1960s, a period of high hurricane activity in the United States. If that is so, according to the new federal study, the cost of damage wrought by hurricanes — already the most expensive natural disasters in America — could soar to new heights.

Scientists offer varying explanations of what is responsible for the increase in hurricane frequency. One study has found that sea-surface temperatures in 1995 were the highest on record in the tropical North Atlantic. That year, 19 tropical storms and hurricanes, double the 1946-1995 average, formed in the Atlantic. The authors of the study concluded that warmer seas encouraged incipient hurricanes to develop by infusing them with more energy.

Coincidentally or not, 1995 also saw the highest average global surface temperatures on record, and some scientists say this raises the possibility that global warming is contributing to the increased frequency of hurricanes. The coincidence "is suggestive of some link to global warming, but that needs to be proved," said Dr. Mark A. Saunders, chief author of the study.

Others say that global warming is almost certainly not the cause. One is Dr. William M. Gray, an atmospheric scientist and hurricane expert at Colorado State University in Fort Collins. The rise in sea temperature "is not related to the warming of the planet," he said, noting that global warming has been slow, while the Atlantic sea-surface temperature jumped in a matter of months.

It was Dr. Gray and his group of researchers who correctly predicted that 1995 would be one of the most active seasons on record, although they underestimated 1996. In April, the group forecast that 1997 would also bring more hurricanes than average, including the more intense ones. These major storms are defined as those with peak sustained winds of more than 110 miles an hour, and they account for 75 percent of all hurricane damage.

The forecasters predicted that the 1997 hurricane season, which officially began Sunday and lasts through November, would produce 7 hurricanes, 3 of which would be in the intense category, and 4 lesser tropical storms strong enough to be named. By comparison, 11 of the 19 named storms in 1995 were hurricanes, 5 of them severe; last year, 9 of the 13 named storms were hurricanes and 6 were severe.

The Colorado group's forecast applies to an area encompassing the Atlantic Ocean, the Caribbean Sea and the Gulf of Mexico. It is to be updated on Friday, but Dr. Gray said the update was not expected to depart substantially from the April prediction. The forecasters do not attempt to predict whether or where any of the hurricanes will strike land.

The forecasts are based on an array of predictive signs and atmospheric phenomena that Dr. Gray has identified as determining hurricane activity. One is the amount of rainfall in the Sahel region of western Africa, where the small areas of low pressure that are the embryos of hurricanes first form. When the Sahel is wetter, Dr. Gray found, more embryos form. This year, the Sahel is wet.

ANOTHER factor is the phenomenon known as El Nino, the huge pool of warm water that develops every two to seven years in the eastern tropical Pacific, changing weather patterns around the world. When it is in place, high-level winds blowing from the west tend to shear off the tops of developing hurricanes in the adjacent Atlantic, causing them to abort. El Nino may make an appearance later this year, forecasters say, but the Colorado group predicts that it will not do so in time to affect the hurricane picture.

## IN BRIEF

### U.S. Issues Rules On 'Mad Cow' Disease

WASHINGTON (WP) — The Food and Drug Administration has announced rules intended to prevent outbreaks of "mad cow" disease in American cattle herds.

The agency will prohibit the use of protein derived from most mammals in veterinary feeds given to ruminant animals such as cows, sheep and goats, though pig proteins will still be allowed. The rules will take effect in two months.

No cases of bovine spongiform encephalopathy, the scientific name for the disease, have ever been detected in U.S. herds. But the disease caused a food panic in Britain last year as more than 100,000 cattle were found to be infected and had to be destroyed. The disease spread as the bodies of infected cows and sheep infected with a similar disease, scrapie, were rendered and used in feeds given to other cattle.

At least 16 cases of a similar ailment in humans, known as new variant Creutzfeldt-Jakob disease, have been linked to eating infected British beef.

### Guidelines on Cloning

WASHINGTON (WP) — A federal ethics commission will recommend that Congress enact legislation that would allow some researchers to create cloned human embryos, but would prohibit the use of those embryos to make cloned human babies, according to several commission members.

Under the plan, privately funded scientists or doctors could make cloned human embryos for research purposes but could not implant them into women's wombs.

The much anticipated recommendations, from the National Bioethics Advisory Commission, are an attempt to find common ground between those who find the possibility of human cloning an affront against nature and those who see cloning as a promising option for infertile couples and a possible source of medical advances.

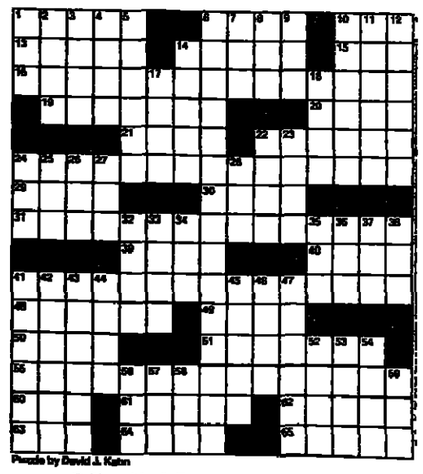
Commission members said the recommendations were sensible, given the ethical complexities and the need for immediate action. But critics, including antiabortion activists, complained that the proposed restrictions do not go far enough.

## CROSSWORD

**ACROSS**
1 Bedim
6 Rude one
10 With 58-Down, a religious monogram
13 Contradict
14 "Same here!"
15 Hatcher
16 Graduation day V.I.P.'s
19 Newborn
20 Flunky
21 Nimbus
22 Short-legged hunter
24 Graduation day award
29 Biblical twin
30 1953 Leslie Caron role
31 Graduation day word
39 Dickerson of the N.F.L.
40 Captain, e.g.
41 Prize for 16-Across
48 Vaporize
49 The Supremes, e.g.
50 Bring (out)
51 Tree whose product is used in making soap
55 24-Across and others
60 "A Chorus Line" standard
61 "... woman who lived in ——"
62 Extremist
63 Old geographical inits.
64 100 sawbucks
65 Pried

**DOWN**
1 Overseas network
2 City NW of Madrid
3 Suffix with salmon
4 Troubles
5 Come back again
6 Words after 31-Across
7 Financial page heading: Abbr.
8 Sound at the circus
9 Aussie hopper
10 Suntanner's seat
11 Ranch worker
12 Some blowups
14 —— Park, N.J.
17 Tackle
18 Cellar dweller's place
22 Composer Bartók
23 Very busy
24 Holiday mo.
25 Spanish bruin
26 Fire
27 Action on the shirt sleeves
28 "—— Liza Jane" (old glee club favorite)
32 Nautical danger
33 Dilettantish
34 Acapulco aunt
35 Subj. of a rollover
36 ——-leaf cluster
37 Compass heading
38 Jupiter's domain
41 Emotion of pity
42 Long-necked waders
43 Housekeeper, sometimes
44 ——-Honey (candy bar)
45 Take for ——
46 Fortune
47 Cork shooter
52 "Alice's Restaurant" name
53 "Why don't we?"
54 Nothing more than
56 Betray, with "on"
57 Object of E.P.A. monitoring
58 See 10-Across
59 Blue

LOCATION
RENT AUTO DERGI FRANCE
Tel: Paris +33 (0)1 43 58 55 55
Fax: Paris +33 (0)1 43 53 95 29



Puzzle by David J. Kahn

*© New York Times/Edited by Will Shortz*

**Solution to Puzzle of June 4**

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| G | A | R | D | E | N | P | E | R | E | N | N | I | A | L |
| A | P | P | E | N | D | I | X | | | A | G | A | T | E |
| | | | D | E | N | | H | A | M | | | | | |
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| T | A | K | E | R | | | O | L | E | | A | M | A | H |
| S | L | A | M | | C | H | I | P | S | | S | I | T | U |
| A | L | P | O | | R | O | N | | | A | S | S | E | S |
| R | A | I | N | B | O | W | G | O | D | D | E | S | S | |
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| S | T | A | L | L | | S | E | M | E | S | T | E | R | |
| N | O | V | E | L | I | S | T | M | U | R | D | O | C | M |
| A | N | O | N | | S | O | L | A | R | | A | B | O | Y |
| G | E | N | T | | T | B | O | N | E | | K | E | N | S |

Kabila Accuses
France of Arming
Mobutu Loyalists

# NYSE

**Wednesday's 4 P.M. Close**

Nationwide prices not reflecting late trades elsewhere.

*The Associated Press.*


# DID YOU MISS A DAY THIS WEEK?

This past week's front pages are available for viewing on the IHT site on the World Wide Web.

http://www.iht.com


Continued on Page 16

هكذا من الأصل

هكذا من الأصل

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Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
THURSDAY, JUNE 5, 1997



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# Breaking Free of the Watchdog

## *Chicago Exchanges Seek Easing of Rules*

By John M. Broder
*New York Times Service*

Chuck Kennedy/The New York Times

**John Sandner, chairman of the Chicago Mercantile Exchange, left, and Brooksley Born, head of the CFTC.**

CHICAGO — It takes sharp elbows and a strong constitution to survive a day in the Eurodollar pit at the Chicago Mercantile Exchange. Contracts representing millions of dollars in short-term interest-rate futures turn over every second in a cacophonous blur of hand signals and shouted orders. Moments of relative quiet are punctuated by frenzy as the electronic boards ringing the pit record tiny movements in the Eurodollar's value.

But, as busy as the Eurodollar pit is — nearly 100 million Eurodollar contracts were traded in 1996, making it the most actively traded financial future in the world — Mercantile Exchange officials say they are losing business to over-the-counter traders, foreign exchanges and private swaps deals.

The reason: Futures traded off the Chicago exchange are subject to virtually no federal regulation.

From their earliest days as marketplaces for agricultural commodities, the Chicago Mercantile Exchange and the Chicago Board of Trade and the traders who work there have chafed at government supervision.

Now they want relief, and they have gone to Congress to get it.

In public statements and in legislation now before Congress that they largely wrote, exchange officials argue that futures traders are sophisticated, consenting adults engaged in legal transactions. It is in the traders' own interest to police the action on the floor, the officials say, and they do not want or need federal chaperones from the Commodity Futures Trading Commission looking over their shoulders.

"What we have is a regulatory model built for another time and another marketplace, when most of the trading was in agricultural products," said John

**WALL STREET WATCH**

Sandner, chairman of the Chicago Mercantile Exchange. "Now, 90 percent of our trading is in financial instruments by large institutions, and our regulation, which is supposed to be oversight, has become micromanagement."

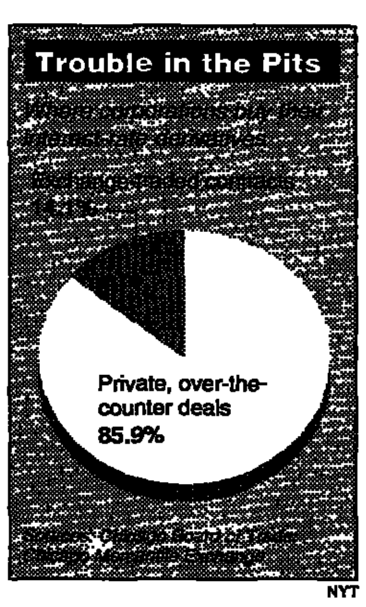
It may seem an odd moment for traders in some of the world's riskiest financial products to be pleading for regulatory relief. The recent history of costly failures in the trading of financial futures, swaps and other complex financial products known collectively as derivatives justifies a vigorous regulatory and enforcement program, say federal market overseers, who themselves have more often been criticized for being weak than for being severe.

They cite a litany of derivatives-trading debacles: Barings Bank, Sumitomo Corp., Orange County, Procter & Gamble Co., MG Futures Inc. The losses are measured in the billions of dollars.

Brooksley Born, a securities lawyer named last year to head the Commodity Futures Trading Commission, said the exchanges were seeking to swap government supervision for their pleas of "Trust me."

Ms. Born said: "Essentially, the CFTC has regulated the futures markets primarily through surveillance to try to detect fraud or manipulation in its incipiency. If we lose that power, we would be relegated to pursuing enforcement after the fact. Billions of dollars

See RULES, Page 17




NYT

# *Making Sense, and Cents, of Stock Prices*

By Floyd Norris
*New York Times Service*

NEW YORK — After more than two centuries of using a system descended from Spain, American stock markets now appear to be moving toward having stocks priced in the same way that just about everything else is priced — in dollars and cents, rather than in units of one-eighth of a dollar.

Under pressure from Congress and regulators, the Nasdaq stock market aid Tuesday that it would study moving to decimal pricing, as the use of pennies rather than fractions is called, and promised to take a position by Sept. 1.

"It is time to take some leadership," said Frank Zarb, chairman and chief executive of the National Association of Securities Dealers, the parent organization of Nasdaq, in announcing that the organization would send a series of questions to brokerage firms and others.

If Wall Street does move, it is widely expected that it would lead to better — as well as more easily understandable — prices for investors. That gain would come at the expense of brokers, who have resisted the move in the past.

Some brokers' profits come from the difference between what they pay to buy stock from some investors and the price they get in selling it to other investors. A change in pricing could shrink their profit margins. Advocates say that increased volume would follow from the better pricing and that this could partly offset the brokers' losses.

The New York Stock Exchange, which has lagged behind as other markets have allowed trading in increments smaller than one-eighth of a dollar, or 12.5 cents, is expected to make a proposal related to decimal pricing Thursday, although officials would not say what was being considered.

Some Wall Street executives say that a move to decimals is inevitable but that they hope to delay it until 2001 so that the necessary reprogramming of computers would not have to be undertaken while programmers are still trying to solve the huge problem of how to make computer programs, which generally record only the last two digits of years, distinguish the year 2000 from 1900.

Still, given that American brokers already trade many things that are quoted in decimals, including stocks from other countries, currencies and commodities, it is not clear how much reprogramming will be needed; that is one of the issues on the NASD questionnaire.

Mr. Zarb said Tuesday that no decision had been made on whether to make the shift, but he added, "If the review demonstrates that decimal pricing aids investors in the purchase and sale of stocks, then we will do whatever is necessary to make it happen."

For generations, the smallest price movement allowed in stocks in major U.S. markets was one-eighth of a dollar. That limit has been breaking down amid regulatory pressure to provide better prices for investors by reducing the spread between the price at which investors can buy — the "ask" price, in Wall Street jargon — and the lower price, called the "bid" price, at which they can sell stock to a broker.

The American Stock Exchange, the country's third-largest market, moved this year to minimum spreads of 1/16 of a dollar, or 6.25 cents, and Nasdaq, the second-largest, followed this week. Among major markets, only the NYSE has stuck to eighths.

It is possible, of course, to quote stocks in thirty-seconds or sixty-fourths or even in units of 1/256 of a dollar, or less than half a penny. Such trades, in fact, are allowed in the Nasdaq market, but brokers cannot quote stock prices in units smaller than 1/16 of a dollar.

But, while most investors understand eighths, and perhaps sixteenths, going farther down that road invites mass confusion. Would it be better, for example, to sell a stock for 25/64 or for 3/8? (Answer: 25/64, which is just over 39 cents, compared with 37.5 cents for 3/8.)

"If we're going to go further than sixteenths, I think decimals make sense," said Richard Ketchum, chief operating officer of the NASD.

Going to decimals would not necessarily mean that stocks could move only one cent from trade to trade.

**While most investors understand eighths, and perhaps sixteenths, in pricing stocks, going farther down that road would invite mass confusion.**

One of the issues raised in the questionnaire is whether a limit of 5 cents could be set and maintained on price moves. For investors, that would still be somewhat more flexible than the minimum spread of 1/16, or 6.25 cents, now available on Nasdaq and the American Stock Exchange.

Concerns have been expressed that if the limit were 1 cent, brokers could effectively trade in front of customers' orders by offering a penny more when they knew that a large customer order was going to drive the price up. That practice is known as front-running.

The decimal issue has moved to the fore in the past year in large part because of the efforts of Steve Wallman, a member of the Securities and Exchange Commission who has campaigned for action to require markets to shift to decimals.

Arthur Levitt, the SEC's chairman, has not endorsed such legislation but has said he thinks the markets will move in that direction voluntarily.

Mr. Wallman praised the NASD's move this week, calling the benefits to investors "clear and unequivocal."

A bill pending in Congress, sponsored by Representatives Michael Oxley, Republican of Ohio, and Edward Markey, Democrat of Massachusetts, would require the SEC to order decimal pricing. The current moves by market officials appear in part to be efforts to head off legislation.

Narrower spreads would not automatically result from allowing quotes in finer increments.

As the Nasdaq market went to sixteenths this week, only a few of the most active stocks traded with a spread of just 1/16, and those did not do so at all times. But smaller quote increments do make such spreads possible.

Antitrust investigators concluded last year that brokers in the Nasdaq market had conspired to keep spreads unreasonably wide, and the SEC changed the rules to encourage narrower spreads. That led to the move to sixteenths and helped to stimulate talk of decimals.

But, while investors are likely to benefit from narrower spreads as sixteenths proliferate, and more so if the markets move to decimals, the benefit will not be universal.

Brokers who now make money from the spread are likely to look for ways to recover those profits, making an increase in commissions likely.

In addition, it would not be surprising if competition led some brokerage firms to stop making markets in stocks.

Still, moving away from eighths and quarters would be a wrenching experience for the tradition-steeped financial markets.

The New York Stock Exchange traces its existence to a deal signed by brokers under a buttonwood tree on Wall Street in 1792. As part of that deal, the brokers agreed to fix commissions at one-quarter of 1 percent of the value of a trade.

# Kohl Defeats a Bid To Oust Finance Chief

## *Bonn Also Affirms Euro Timetable*

By John Schmid
*International Herald Tribune*

FRANKFURT — Chancellor Helmut Kohl, facing the most severe budget crisis in his 14 years in office, rejected opposition demands for early elections and rallied his allies Wednesday in a boisterous session of Parliament to defeat a motion calling for the resignation of his finance minister.

Mr. Kohl also renewed his support of the single European currency project, countering the growing ranks of skeptics who predict the birth of the euro will be postponed beyond January 1999, the planned starting date. The government, Mr. Kohl vowed, "will do everything — everything — to see to it that the timetable and the criteria are kept to."

The chancellor's plea was also intended to reassure German voters after a series of public-relations blunders by Finance Minister Theo Waigel threatened to spread disenchantment with the new-currency plan among the already wary German public. Mr. Kohl issued a dire warning of the consequences of a delay, saying German exports and jobs were at stake.

"We need the common European currency," Mr. Kohl said. "It is the basic precondition for peace and freedom and for building the European house."

The criticism that rained down on the government this week, reflected in Wednesday's free-for-all denunciations by the opposition, stem from Mr. Waigel's stopgap measures to plug holes in the budget and meet the fiscal criteria for joining the single currency.

The German central bank and even Mr. Waigel's coalition allies charged the finance minister with engaging in the sort of one-time budget fixes that Germany has decried in its European partners, moves that critics say have diminished Bonn's authority within Europe and its credibility at home.

Mr. Waigel this week abandoned plans to revalue Germany's vast gold stockpiles and reap billions of dollars of paper profit. He also came under fire for proposals to sell off some of the government's 75 percent stake in Deutsche Telekom AG, the national telephone company, a move that would leave Bonn reneging on its pledge last year not to sell additional shares before 2000.

The government's chief economic adviser, Herbert Hax, called the gold and Telekom measures "unsuitable" and "inappropriate" maneuvers that looked like "creati e accounting."

[Hans Tietmeyer, president of the Bundesbank, indicated Wednesday that the government and central bank were close to a deal that would allow a revaluation of the gold reserves but delay any transfer of profit until after 1997, Market News reported from Interlaken, Switzerland, where Mr. Tietmeyer addressed central bankers.]

In a measure that analysts described as too little and too late, Mr. Waigel announced a spending freeze Wednesday requiring his approval for all federal expenses larger than 1 million Deutsche marks ($582,000). Such a measure so late into the year would only save a few billion DM of the estimated 20 billion DM to 30 billion DM budget shortfall, economists said.

Rudolf Scharping, parliamentary leader for the opposition Social Democratic Party, said Mr. Waigel's "unserious and hectic" policies had become a "considerable burden" for Germany. He demanded that Mr. Kohl fire him and clear the way for new elections.

**■ Sweden's Euro-Rejection**

The European Commission said it would be up to European Union leaders to decide whether Sweden could opt out of the single currency, while Prime Minister Tony Blair said it was highly unlikely that Britain would be among the first countries to adopt the euro, Reuters reported.

Jacques Santer, the president of the European Commission, said in Brussels that only EU heads of state and government could decide whether Sweden could skip monetary union if it met the fiscal criteria. Sweden said Tuesday that it would not join right away.

In London, Mr. Blair told Parliament that it would be better for economic and monetary union not to go ahead at all than for it to start with "fudged" convergence criteria.

# As Czech Economy Slips, Klaus Looks for a Miracle

By Peter S. Green
*International Herald Tribune*

PRAGUE — Amid the collapse of the Czech economic miracle, Prime Minister Vaclav Klaus said Wednesday that he would ask Parliament for a vote of confidence next week in his new cabinet.

Pressure is mounting for Mr. Klaus's resignation, and even his political allies say he deliberately ignored the nation's growing economic woes.

Mr. Klaus shuffled the cabinet last week, replacing his finance minister and outlining a new economic plan. But few details have appeared, and Mr. Klaus has admitted that a similar legislative package announced in April was inadequate.

Foreign Minister Josef Zieleniec said late Tuesday that Mr. Klaus had failed to tell the cabinet about a letter from the International Monetary Fund urging rapid measures to improve the economy.

Mr. Zieleniec said he did not have the letter when the government was drafting the economic legislation in April.

"The letter was from the beginning of April," said a senior official who had read it, "and it predicted what would happen to the koruna."

Mr. Klaus dismissed the letter's importance. He acknowledged that he had received three faxed notes from the Fund that he did not distribute to the cabinet but insisted that the notes merely reiterated recommendations in a March report from the IMF on the economy.

"They were related to the report and reminded, for example, that the Fund really thinks that wages grew too fast here," Mr. Klaus was quoted by Bloomberg News as saying.

The dispute with Mr. Zieleniec, an economist and a co-founder of the Mr. Klaus's Civic Democratic Party, reveals a growing rift within the government's center-right coalition and the party.

Deputy Prime Minister Josef Lux has publicly called for Mr. Klaus's resignation.

Milos Zeman, leader of the opposition Social Democrats, has promised to call for a confidence vote.

Mr. Klaus has been under increasing pressure to tackle the economic problems and restore public and investor confidence in what was until recently Central Europe's best-performing post-Communist economy.

A high fixed-exchange rate, high inflation, unregulated markets, unrestructured industry, sharp wage increases and a massive trade deficit have brought the country to the verge of economic collapse. The koruna has lost nearly 15 percent of its value against the dollar in the past month, the stock market is down 8.1 percent over the last year, and overnight interbank interest rates are hovering near 50 percent.

Foreign investors have pulled hundreds of millions of dollars out of the country, and central bank efforts to protect the currency have dried up the money supply, pushing many Czech companies to the edge of bankruptcy.

# CURRENCY & INTEREST RATES

## Cross Rates

June 4

| | $ | £ | D.M. | F.F. | Lira | D.Fl. | B.F. | S.F. | Yen | C$ | Peseta |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 1.945 | 3.1465 | 1.1253 | 0.3337 | 0.1146* | — | 5.4535* | 1.3496 | 1.6748* | 1.4135 | 1.333* |
| Brussels | 35.805 | 58.145 | 20.634 | 6.117 | 2.1083* | 18.3375 | — | 24.7315 | 0.3068 | 25.9425 | 24.445* |
| Frankfurt | 1.7226 | 2.8072 | — | 0.2959 | 0.1014* | 0.8876 | 4.8363* | 1.1973 | 1.4861* | 1.253 | 1.1865* |
| London (a) | 1.625 | — | 2.8142 | 9.4871 | 2,765.535 | 3.1679 | 58.3839 | 2.3524 | 189.128 | 2.2482 | 237.8877 |
| Madrid | 146.017 | 237.935 | 84.427 | 25.022 | 8.595* | 75.008 | 4.0721 | 101.294 | 125.552* | 106.156 | — |
| Milan | 1,699.25 | 2,768.95 | 982.80 | 291.10 | — | 872.80 | 47.543 | 1,176.35 | 14.59 | 1,230.40 | 11.422 |
| New York (b) | — | 1.6332a | 1.7288 | 5.8306 | 1,698.00 | 1.9455 | 35.68 | 1.445 | 116.365 | 1.3862 | 146.19 |
| Paris | 5.8303 | 9.5055 | 3.3732 | — | 0.3404* | 2.9978 | 0.1635 | 4.0431 | 5.0158* | 4.2409 | 3.996* |
| Tokyo | 114.20 | 190.82 | 67.27 | 19.55 | 0.685 | 59.30 | 3.2603 | 80.92 | — | 84.45 | 0.7971 |
| Toronto | 1.3755 | 2.2401 | 0.7951 | 0.2356 | 0.0807* | 0.7063 | 0.3852* | 0.9582 | 1.1800* | — | 0.941* |
| Zurich | 1.4415 | 2.3491 | 0.8349 | 0.2477 | 0.0845* | 0.7422 | 4.0466* | — | 1.2416* | 1.0481 | 0.9881* |
| 1 ECU | 1.124 | 0.696 | 1.961 | 6.6049 | 1,926.56 | 2.2066 | 40.4633 | 1.6341 | 131.882 | 1.5588 | 165.537 |
| 1 SDR | 1.3826 | 0.8476 | 2.3912 | 8.0159 | N.Q. | 2.6855 | 49.4778 | 1.9821 | 161.422 | 2.3812 | 202.343 |

*Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M.*
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

## Other Dollar Values

| Currency | Per $ | Currency | Per $ | Currency | Per $ | Currency | Per $ |
|---|---|---|---|---|---|---|---|
| Argent. peso | 0.9986 | Greek drac. | 274.64 | Mex. peso | 7.913 | S. Afr. rand | 4.4705 |
| Australian $ | 1.3179 | Hong Kong $ | 7.7434 | N. Zealand $ | 1.4529 | S. Kor. won | 890.80 |
| Austrian sch. | 12.173 | Hung. forint | 184.42 | Norw. krone | 7.1489 | Swed. krona | 7.7511 |
| Brazil real | 1.071 | Indian rupee | 35.768 | Phil. peso | 26.36 | Taiwan $ | 27.89 |
| Chinese yuan | 8.3219 | Indo. rupiah | 2429.50 | Polish zloty | 3.22 | Thai baht | 24.73 |
| Czech koruna | 29.99 | Irish £ | 0.6739 | Port. escudo | 174.46 | Turkish lira | 14690. |
| Danish krone | 6.588 | Israeli shek. | 3.4058 | Russ. ruble | 5782.00 | UAE dirham | 3.6725 |
| Egypt. pound | 3.3897 | Kuw. dinar | 0.3004 | Saudi riyal | 3.75 | Venez. boliv. | 483.50 |
| Fin. markka | 5.1728 | Malay. ring. | 2.517 | Sing. $ | 1.4295 | | |

## Forward Rates

| Currency | 30-day | 60-day | 90-day | Currency | 30-day | 60-day | 90-day |
|---|---|---|---|---|---|---|---|
| Pound Sterling | 1.6272 | 1.6261 | 1.6249 | Japanese yen | 115.86 | 115.36 | 114.87 |
| Canadian dollar | 1.3727 | 1.3699 | 1.3670 | Swiss franc | 1.4392 | 1.4339 | 1.4282 |
| Deutsche mark | 1.7243 | 1.7206 | 1.7189 | | | | |

*Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).*

## Libid-Libor Rates

June 4

| | Dollar | D-Mark | Swiss Franc | Sterling | French Franc | Yen | ECU |
|---|---|---|---|---|---|---|---|
| 1-month | 5 9/16 - 5 11/16 | 2⅞ - 3⅛ | ⅞ - 1⅛ | 6⅜ - 6½ | 3¼ - 3⅜ | n.q. | 4 5/16 - 4½ |
| 3-month | 5 11/16 - 5¾ | 3 - 3⅛ | 1 5/16 - 1 7/16 | 6 9/16 - 6 11/16 | 3 5/16 - 3 7/16 | n.q. | 4 5/16 - 4½ |
| 6-month | 5 13/16 - 5 15/16 | 3⅛ - 3¼ | 1¼ - 1⅜ | 6 13/16 - 6 15/16 | 3⅜ - 3½ | n.q. | 4 5/16 - 4½ |
| 1-year | 6 1/16 - 6 3/16 | 3 5/16 - 3 7/16 | 1 5/16 - 1 7/16 | 6⅞ - 7⅛ | 3½ - 3⅝ | n.q. | 4 9/16 - 4¾ |

*Sources: Reuters, Lloyds Bank.*
*Rates applicable to interbank deposits of $1 million minimum (or equivalent).*

## Key Money Rates

| United States | Close | Prev |
|---|---|---|
| Discount rate | 5.00 | 5.00 |
| Prime rate | 8½ | 8½ |
| Federal funds | 5½ | 5½ |
| 90-day CDs dealers | 5.75 | 5.75 |
| 180-day CP dealers | 5.68 | 5.68 |
| 3 month Treasury bill | 4.96 | 4.96 |
| 1-year Treasury bill | 5.44 | 5.45 |
| 2-year Treasury bill | 6.18 | 6.18 |
| 5-year Treasury note | 6.47 | 6.47 |
| 7-year Treasury note | 6.52 | 6.53 |
| 10-year Treasury note | 6.61 | 6.62 |
| 30-year Treasury bond | 6.87 | 6.87 |
| Merrill Lynch 30-day RA | 5.02 | 5.02 |
| **Japan** | | |
| Discount rate | 0.50 | 0.50 |
| Call money | 0.44 | 0.45 |
| 1-month interbank | 0.54 | 0.54 |
| 3-month interbank | 0.56 | 0.56 |
| 6-month interbank | 0.65 | 0.65 |
| 10-year Govt bond | 2.76 | 2.82 |
| **Germany** | | |
| Lombard rate | 4.50 | 4.50 |
| Call money | 3.05 | 3.08 |
| 1-month interbank | 3.15 | 3.15 |
| 3-month interbank | 3.18 | 3.18 |
| 6-month interbank | 3.22 | 3.22 |
| 10-year Bond | 5.86 | 5.81 |
| **Britain** | | |
| Bank base rate | 6¼ | 6¼ |
| Call money | 5½ | 6 1/16 |
| 1-month interbank | 6 3/16 | 6 3/16 |
| 3-month interbank | 6 9/16 | 6 9/16 |
| 6-month interbank | 6¾ | 6¾ |
| 10-year Gilt | 7.15 | 7.19 |
| **France** | | |
| Intervention rate | 3.10 | 3.10 |
| Call money | 3 5/16 | 3⅛ |
| 1-month interbank | 3¼ | 3¼ |
| 3-month interbank | 3⅜ | 3 5/16 |
| 6-month interbank | 3 7/16 | 3½ |
| 10-year OAT | 5.76 | 5.60 |

*Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.*

## Gold

| | A.M. | P.M. | Ch'ge |
|---|---|---|---|
| Zurich | 343.65 | 341.75 | +1.00 |
| London | 343.50 | 341.75 | —1.30 |
| New York | 345.80 | 343.40 | —2.30 |

*U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)*
*Source: Reuters.*

# U.S. Pounds on Heathrow's Gates

## *Regulator Says BA-AMR Should Yield Some Landing Rights*

By Adam Bryant
*New York Times Service*

WASHINGTON — The General Accounting Office said Wednesday that American Airlines and British Airways should give up a number of their valuable landing rights at Heathrow Airport in London.

The statement, the first formal opinion from a federal agency on the proposed alliance between American, a unit of AMR Corp., and British Airways was given in testimony for a Senate Commerce Committee hearing.

The congressional watchdog agency decided that to increase competition, other U.S. airlines should have the opportunity to fly at least 23 daily round trips into Heathrow, and that most, but not all, of those landing rights, also known as slots, would come from British Airways and American.

The two airlines, which announced their proposed alliance a year ago with promises of many benefits to travelers, have come under considerable fire from other U.S. airlines, which have contended that the alliance would lead to less competition and higher fares.

The two airlines now account for 38 — or 69 percent — of the 55 daily round trips between the United States and Heathrow.

Because of a long-standing agreement between the two countries, American and United Airlines are the only U.S. carriers allowed to fly into Heathrow, one of the busiest airports in the world.

"To ensure increased competition," the General Accounting Office said, "the other major U.S. airlines that fly internationally would need to serve Heathrow from their principal hubs."

But the agency also appeared to favor pursuing such a broad agreement, arguing that "significant new entry would likely provide substantial benefits for consumers in both countries in terms of lower fares and better service."

Spokesmen for American and British Airways declined to comment immediately on the testimony. But Chris Chiames, a spokesman for American, added, "The gist of the report is positive in terms of recognizing the benefits of open skies and that this alliance ought to move forward."

American and British Airways have tentatively agreed to a suggestion from the Office of Fair Trading in Britain that the two airlines should divest themselves of slots for 12 daily round-trip flights, roughly half the minimum suggested by the U.S. agency.

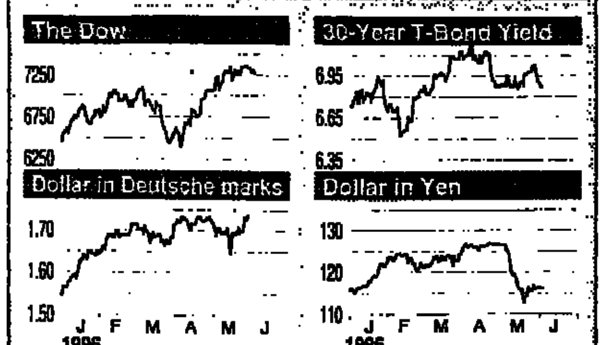
The testimony of the General Accounting Office carries only the weight of an opinion, and several hurdles must be cleared before American and British Airways can put their proposed alliance into effect.

Even if all parties agree on the redistribution of daily landing rights, they must then consider how British Airways and American would be compensated.

THE AMERICAS

## Investor's America

The Dow | 30-Year T-Bond Yield | Dollar in Deutsche marks | Dollar in Yen




| Exchange | Index | Wednesday @4PM | Prev. Close | % Change |
|---|---|---|---|---|
| NYSE | The Dow | 7269.66 | 7312.15 | -0.58 |
| NYSE | S&P 500 | 840.11 | 845.48 | -0.64 |
| NYSE | S&P 100 | 820.38 | 826.84 | -0.78 |
| NYSE | Composite | 440.18 | 442.36 | -0.49 |
| U.S. | Nasdaq Composite | 1379.64 | 1384.91 | -0.38 |
| AMEX | Market Value | 607.68 | 609.02 | -0.22 |
| Toronto | TSE Index | 6429.50 | 6432.70 | -0.05 |
| São Paulo | Bovespa | 11023.29 | 11110.42 | -0.78 |
| Mexico City | Bolsa | 4117.79 | 4059.02 | +1.45 |
| Buenos Aires | Merval | 788.98 | 787.39 | +0.20 |
| Santiago | IPSA General | 5723.31 | 5725.41 | -0.04 |
| Caracas | Capital General | N.A. | 7042.69 | - |

Source: Bloomberg, Reuters — International Herald Tribune

# Oracle Unveils CNN Service

By Mitchell Martin
*International Herald Tribune*

ATLANTA — Oracle Corp. and Cable News Network introduced a free personalized Internet news service Wednesday, an attempt to capitalize on the convergence of computers, communications and broadcasting.

Although similar services already exist, this one is a showcase for the idea of network-based computing, an idea backed by Oracle Corp.'s chairman, Lawrence Ellison. The new service, called CNN Custom News, will carry articles from approximately 150 sources, of which about a dozen provide real-time news. These include Reuters, The Associated Press, Bridge News and CNN.

Mr. Ellison and Ted Turner, vice chairman of CNN's corporate parent, Time Warner Inc., demonstrated the service at Comdex/Spring 97, the computer trade show here. The service is available at customnews.cnn.com or cnn.com/customnews, and will carry advertising.

One of the advertisers will be Citibank, and executives from the bank and from CNN said they expected significant international interest. Mr. Ellison predicted that the service would have hundreds of thousands of users.

Mark Schlack, editor in chief of Byte magazine, said he did not think the service broke new ground, noting that large news organizations such as The New York Times and The Wall Street Journal, as well as CNN itself, already provide similar offerings. He said the service would "live or die" based on how well Oracle's searching software, ConText, worked.

That software, Mr. Ellison promised, can do complex thematic indexing as well as simple word searches, meaning that users can more precisely target the news they want — for example, choosing a few articles that focus on Japan rather than every article that mentions the country's name. Some of the service's competitors have been criticized as bombarding their customers with unwanted information.

When Mr. Ellison introduced the idea of network computers in September 1995, he predicted the coming of services such as CNN Custom News. In this case, users tap into server computers via personal and network computers, pagers and televisions.

In his vision of the future of computing, Mr. Ellison has been pitted against Microsoft Corp.'s chairman, Bill Gates, who insists that the bulk of computing will continue to take place on personal computers rather than move to networks.

Mr. Ellison refused to say how much Oracle had invested in the CNN Custom News project, but Mr. Schlack estimated it was several million dollars.

# Computer Issues' Blues Drag Market Lower

*Compiled by Our Staff From Dispatches*

NEW YORK — Stock prices retreated Wednesday as computer-related shares fell on profit warnings and financial stocks dropped on concern that interest rates might rise, stifling borrowing by consumers and businesses.

The Dow Jones industrial average finished 31.76 points lower at 7,280.39, with declining issues leading advancers by a 7-to-5 ratio on the New York Stock Exchange.

The Standard & Poor's 500-stock index was down 4.63 points, at 840.85, while the Nasdaq composite index was off 6.43 points at 1,378.48.

The drop among Nasdaq stocks was led by technology issues after the software developer Integrated Systems, the networking company Cabletron Systems and the disk drive maker Seagate Technology all warned that earnings for the current quarter would fall short of expectations because of slack demand.

Integrated fell 1 7/16 to 12½, Cabletron finished unchanged at 30¼, and Seagate dropped ⅞ to 37⅞.

Intel, which has also warned that it expects its earnings not to meet forecasts, fell 3 7/16 to 141 9/16.

Investors said stock prices in the group were unlikely to rise much until corporate earnings were released in mid-July. Those reports are expected to give investors a clearer picture of whether the sales slowdown mentioned by Intel and others is limited to individual companies or might be industrywide.

"I think we're sort of in a trading range through the earnings report period here," said Bob Finch of Aeltus Investment Management. "People are going to be less willing to chase stocks to new highs, particularly those involving computers and networking products."

With most investors looking ahead to Friday's report on U.S. payroll and wage levels — a major factor behind inflation — trading was fairly hesitant. Investors took little action on a report that factory orders grew 1.2 percent in April,

### U.S. STOCKS

even though the data compounded recent indications that manufacturing activity was surprisingly robust in May.

Such strong economic activity could lead the Federal Reserve Board to raise interest rates when its policymakers meet in July. The Fed raised rates in March because of concern that inflation was accelerating.

"The stock market has done a year's work in six months," said Ronald Muhlenkamp, chief investment officer at Muhlenkamp & Co. "If the market's return over time is about 10 percent a year, we're already there."

Bonds fell on interest-rate concerns, with the benchmark 30-year Treasury bond dropping 5/32 to 96 25/32, raising its yield to 6.88 percent from 6.87 percent Tuesday.

Among the Dow's biggest decliners were companies that lend money, either through credit cards or corporate loans. American Express fell 1⅛ to 68⅝, and J.P. Morgan ⅞ to 108.

But H.F. Ahmanson rose 1¼ to 41½ after the thrift company withdrew its $6.6 billion hostile bid for Great Western Financial, a day after failing to block a vote on a friendly bid from Washington Mutual.

General Motors fell ⅛ to 56½ after the automaker said its U.S. vehicle sales fell 8.1 percent in May. The statistics provide another sign that consumers are turning cautious after a robust first quarter, analysts said.

PepsiCo declined 2¼ to 36 after Chairman Roger Enrico said the beverage company might use gains from the sale of its restaurant supply business to help it meet its annual earnings goal.

Eli Lilly rose ⅞ to 93⅛ on expectations the company would report encouraging results Thursday from studies of its new osteoporosis drug Evista. The market for drugs that prevent bones from becoming brittle is expected to reach $5 billion by 2005. *(Bloomberg, AP)*

## Very briefly:

### Sears Settles U.S. Credit-Card Case

WASHINGTON (Combined Dispatches) — Sears, Roebuck & Co. agreed Wednesday to refund $100 million to credit-card holders to settle the Federal Trade Commission's charges that it pressured bankrupt customers to pay off their cards even though their debts had been wiped out.

Regulators said Sears, America's second-largest retailer, induced consumers who had filed for bankruptcy protection to sign agreements reaffirming their Sears credit account debts to keep their Sears credit cards or merchandise.

The practices may have affected more than 200,000 customers, the agency said. *(AP, Bloomberg)*

### McDonald's Halts Promotion Drive

OAK BROOK, Illinois (Bloomberg) — McDonald's Corp.'s share prices fell Wednesday after the company announced it would phase out its promotional campaign offering 55-cent sandwiches, conceding that the controversial effort to revive U.S. sales had stumbled.

Shares of the fast-food restaurant company closed at $47.875, down 87.5 cents, in New York trading.

The promotion, introduced in April, ran into criticism from analysts and franchisees for being unfocused and confusing to consumers.

Separately, two analysts lowered their ratings and 1997 earnings estimates for the fast-food giant to a range of $2.45 to $2.48 a share from a range of $2.50 to $2.52.

• Eastman Kodak Co.'s Image Bank unit has purchased Archive Holdings Inc., the world's largest provider of archival stock footage and photographs; the price was not disclosed.

• Ford Motor Co. said U.S. sales of cars and light trucks fell 3 percent in May from a strong year-earlier period. Ford also said it would start building 250,000 cars, minivans and pickup trucks annually that could burn either ethanol or gasoline, as part of a U.S. alternative-fuels program. *NYT, Bloomberg*

# Ahmanson Drops Takeover Bid

*Compiled by Our Staff From Dispatches*

IRWINDALE, California — H. F. Ahmanson & Co. withdrew its offer to buy Great Western Financial Corp. on Wednesday, ending a fierce takeover battle. The move paved the way for Washington Mutual Inc. to buy Great Western.

Ahmanson said it decided to end its efforts after a ruling Tuesday by a Delaware Court permitted Great Western to hold its special shareholders' meeting on June 13.

The ruling, coupled with the market valuation of Ahmanson's proposal, led the bank to conclude that it was unlikely to win without raising its bid.

Ahmanson, based in Irwindale, California, launched its hostile bid on Feb. 17, only to be forced to raise its offer a month later after the Chatsworth, California-based Great Western reached a friendly agreement to be acquired by Washington Mutual of Seattle for $6.6 billion.

A spokeswoman for Ahmanson, Mary Trigg, said the company did not believe it could raise its bid for Great Western without harming its own shareholders.

All three concerns have been trying to expand beyond their traditional business of mortgage lending. Great Western has a national consumer-finance company that could be expanded, and Ahmanson has been making consumer loans out of its branches. *(Bloomberg, AP)*

# Dollar Emerges Winner in German Gold War

*Compiled by Our Staff From Dispatches*

NEW YORK — The dollar rose against other major currencies Wednesday as financial markets sought to decide the impact on Europe's monetary union of the German government's capitulation to the Bundesbank.

The dollar's gains came in the aftermath of Bonn's retreat Tuesday from a plan to revalue reserves to help meet the fiscal criteria for the single European currency.

The dollar was quoted in 4 P.M. trading at 1.7288 Deutsche marks, up from 1.7278 DM on Tuesday.

Although a series of statements by Chancellor Helmut Kohl, Finance Minister Theo Waigel and Bundesbank President Hans Tietmeyer calmed the foreign-exchange

### FOREIGN EXCHANGE

market, traders said the fallout from the German battle of wills would reverberate for some time.

"The damage has been done," said Teis Knuthsen, economist at First Chicago in London, adding, "The feeling in the market is that the German Finance Ministry is prepared to do pretty much anything to get its deficit in line."

Traders said that comments by Mr. Tietmeyer indicated he did not seem to object to the dollar's rise. "The mark's present downtrend is not a source of worry," he said, "but we are interested in a strong mark."

Against other currencies, the dollar was at 116.265 yen, up from 116.205 yen, at 1.4450 Swiss francs, up from 1.4376 francs, and at 5.8306 French francs, up from 5.8255 francs. The pound eased to $1.6332 from $1.6347.

The pound lost some ground after statements by the governor of the Bank of England, Eddie George, at a meeting of central bankers in Interlaken, Switzerland.

"George, who called the pound's present level too high, raised doubts about a possible increase in British interest rates this week," said Keith Edmonds, an analyst at Industrial Bank of Japan.

The Bank of England's monetary policy committee, which has new powers to set interest rates free of direct government intervention, convenes Thursday and Friday. *(Reuters, AP)*

## AMEX

**Wednesday's 4 P.M. Close**
The top 300 most active shares, up to the closing on Wall Street.
*The Associated Press*

| Stock | Sales | High | Low | Latest | Chge |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## U. S. STOCK MARKET DIARY

### Indexes

**Dow Jones**

| | Open | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Indus | 7297.99 | 7312.15 | 7258.93 | 7269.66 | -42.49 |
| Trans | 2666.41 | 2671.79 | 2658.18 | 2659.02 | -11.43 |
| Util | 221.50 | 222.05 | 220.78 | 221.05 | -1.28 |
| Comp | 2271.27 | 2277.59 | 2263.93 | 2265.73 | -12.26 |

**Standard & Poors**

| | Previous High | Previous Low | Previous Close | Today 4 P.M. |
|---|---|---|---|---|
| Industrials | 1002.32 | 992.58 | 995.21 | 988.43 |
| Transp. | 620.35 | 611.12 | 617.37 | 612.72 |
| Utilities | 193.17 | 191.55 | 192.52 | 191.78 |
| Finance | 96.16 | 94.26 | 95.67 | 95.26 |
| SP 500 | 850.56 | 841.51 | 845.48 | 840.11 |
| SP 100 | 832.26 | 821.70 | 826.84 | 820.37 |

**NYSE**

| | High | Low | Last | Chg. |
|---|---|---|---|---|
| Composite | 442.36 | 439.71 | 440.18 | -2.18 |
| Industrials | 560.47 | 556.83 | 557.53 | -2.94 |
| Transp. | 404.21 | 401.18 | 401.24 | -2.82 |
| Utility | 274.10 | 272.55 | 272.81 | -1.29 |
| Finance | 401.68 | 399.34 | 400.21 | -1.47 |

**Nasdaq**

| | High | Low | Last | Chg. |
|---|---|---|---|---|
| Composite | 1392.99 | 1375.45 | 1379.65 | -5.76 |
| Industrials | 1136.00 | 1129.35 | 1131.86 | -0.10 |
| Banks | 1491.51 | 1479.13 | 1491.35 | +6.22 |
| Insurance | 1539.03 | 1528.03 | 1535.69 | +5.66 |
| Finance | 1811.91 | 1803.95 | 1811.26 | +1.26 |
| Transp. | 938.33 | 932.87 | 936.09 | +2.15 |

**AMEX**

| | High | Low | Last | Chg. |
|---|---|---|---|---|
| | 609.18 | 607.43 | 607.68 | 1.34 |

**Dow Jones Bond**

| | Previous Close | Today Noon |
|---|---|---|
| 20 Bonds | 102.53 | 102.34 |
| 10 Utilities | 99.66 | 99.51 |
| 10 Industrials | 105.41 | 105.18 |

### Most Actives

**NYSE**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Iomega | 169940 | 21¼ | 19¾ | 20¾ | +⅞ |
| PepsiCo | 99799 | 38⅜ | 35⅞ | 36 | -2¼ |
| Cabltrn s | 75247 | 30¼ | 29⅞ | 30¼ | |
| Gate2000 | 74255 | 63¾ | 57 | 60¾ | -1¾ |
| Seagate s | 60914 | 40 | 37⅞ | 38¼ | -⅞ |
| Compaq | 58433 | 102⅛ | 95¼ | 97¼ | -2¾ |
| Telmex | 51393 | 47⅛ | 45⅝ | 46½ | +1¼ |
| GenElec s | 46801 | 61⅛ | 59⅜ | 60¼ | - |
| Micrn T | 46722 | 41⅛ | 39¾ | 39¾ | -¾ |
| WstgEl | 46378 | 20⅛ | 19⅝ | 20⅛ | -⅛ |
| IBM s | 45482 | 85⅛ | 81¼ | 82¼ | -1½ |
| ChiVFn | 41430 | 48¾ | 46¼ | 48¼ | +1¼ |
| PhilMor s | 39324 | 42¾ | 41¼ | 41¾ | -⅜ |
| WDigitl s | 38973 | 29¼ | 27 | 28 | +¼ |
| MercFn | 35673 | 2⅛ | 2 | 2⅛ | -⅛ |

**Nasdaq**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Intel | 199071 | 148 | 141¼ | 141 9/16 | -3 7/16 |
| BostChk | 139339 | 15¼ | 14 | 14½ | -¾ |
| Ascend | 109664 | 50¼ | 46½ | 47⅛ | -2 3/16 |
| Cisco | 89854 | 66¼ | 63¾ | 64¼ | -½ |
| 3Com | 83040 | 47⅛ | 43½ | 44 | -1½ |
| WA Mutl | 75439 | 54¾ | 52 | 54¾ | +1¼ |
| DellCpt s | 74669 | 110⅛ | 104¾ | 104⅞ | -3¼ |
| Microsft s | 61176 | 122¼ | 118¼ | 119¼ | -1¼ |
| ApldMat | 55931 | 64¼ | 61¼ | 61¾ | +½ |
| Oracle | 52285 | 47¼ | 46 | 46¼ | +½ |
| WorldCm s | 51260 | 29¾ | 28¾ | 28¼ | |
| SunMic s | 46661 | 33⅜ | 32¼ | 33 | +½ |
| XylanCp | 36642 | 18¾ | 16¾ | 17¼ | -2¼ |
| GenNutr | 36154 | 24¾ | 23½ | 24¼ | +¾ |
| Aralds | 33686 | 4¾ | 3⅞ | 4½ | +¼ |

**AMEX**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| MerPt Bat | 23712 | 8 | 7⅞ | 8 | +⅛ |
| Harken | 15117 | 4½ | 4¼ | 4⅜ | -⅛ |
| ViacB | 13075 | 30¼ | 29⅝ | 30⅛ | +½ |
| SPDR | 9937 | 84½ | 84 | 84¼ | -⅜ |
| Metromda | 8406 | 12¼ | 11¾ | 12⅛ | +1⅛ |
| Nabors | 8339 | 24¼ | 23¾ | 23¾ | -¼ |
| PayolO g | 7265 | 2½ | 2¼ | 2⅜ | -⅛ |
| DI Ind | 6031 | 3½ | 3¼ | 3⅜ | +⅛ |
| XCL Ltd | 5295 | ⅞ | ¾ | ⅞ | +1/16 |
| TWA | 5257 | 8¼ | 7¾ | 7⅞ | -¼ |

### Trading Activity

**NYSE**

| | Close | Prev. |
|---|---|---|
| Advanced | 1178 | 1495 |
| Declined | 1363 | 1031 |
| Unchanged | 820 | 857 |
| Total issues | 3361 | 3383 |
| New Highs | 173 | 276 |
| New Lows | 8 | 12 |

**Nasdaq**

| | Noon | Prev. |
|---|---|---|
| Advanced | 1756 | 1946 |
| Declined | 1539 | 2062 |
| Unchanged | 2176 | 1722 |
| Total issues | 5471 | 5730 |
| New Highs | 102 | 185 |
| New Lows | 68 | 67 |

**AMEX**

| | Close | Prev. |
|---|---|---|
| Advanced | 281 | 277 |
| Declined | 273 | 259 |
| Unchanged | 181 | 193 |
| Total issues | 735 | 729 |
| New Highs | 34 | 45 |
| New Lows | 2 | 4 |

**Market Sales**

| | Today 4:00 | Prev. cons. |
|---|---|---|
| NYSE | 470.63 | 637.55 |
| Amex | 19.11 | 29.52 |
| Nasdaq | 553.22 | 586.40 |
| *In millions.* | | |

### Dividends

| Company | Per | Amt | Rec | Pay |
|---|---|---|---|---|
| **IRREGULAR** | | | | |
| Ntheast Inv Grw | - | .10 | 6-11 | 6-12 |
| **INCREASED** | | | | |
| Berkshire Gas | Q | .285 | 6-30 | 7-15 |
| **INITIAL** | | | | |
| Lexington B&L | - | .15 | 6-25 | 7-11 |
| MFC Bncp Ltd g | - | .01 | 6-12 | 6-25 |
| Omega Fin n | - | .16 | 6-16 | 7-1 |
| TJX Cos n | - | .05 | 8-7 | 8-28 |
| **REGULAR** | | | | |
| Amer FstApt Inv | M | .0625 | 6-30 | 7-25 |
| Amer FstTx | M | .045 | 6-30 | 7-25 |
| Amer FstPq | M | .0883 | 6-30 | 7-31 |
| Berry Petrol A | Q | .10 | 6-13 | 6-27 |
| Cen Bncshrs | Q | .20 | 6-15 | 7-15 |
| Cdn Marconi g | - | .07 | 6-12 | 7-3 |
| Centex Construct | Q | .05 | 7-1 | 7-16 |
| Central Vermont | Q | .22 | 7-31 | 8-15 |
| Century Alum | Q | .05 | 6-16 | 6-30 |
| Devon Energy | Q | .05 | 6-16 | 6-30 |
| FFBS Bancorp | S | .25 | 6-17 | 7-1 |
| Fst Bergen | Q | .03 | 6-16 | 6-30 |
| Fst Liberty | Q | .10 | 6-16 | 7-1 |
| Furon Co | Q | .06 | 7-18 | 8-1 |
| Haywood Bncshrs | Q | .14 | 6-19 | 7-8 |
| Helmerich Payne | Q | .13 | 8-15 | 9-2 |
| LG&E Energy | Q | .2875 | 6-30 | 7-15 |
| Mentor Inco Fd | M | .07 | 6-16 | 6-30 |
| ONBANCORP | Q | .34 | 6-17 | 7-1 |
| PennCorp Fincl | Q | .05 | 6-16 | 6-27 |
| Scientific Techs | Q | .0425 | 6-20 | 7-1 |
| Stanhome Inc | Q | .28 | 6-16 | 7-1 |
| Stone St Bncp | Q | .1125 | 6-17 | 6-27 |
| TrustCoBkCp NY | Q | .275 | 6-6 | 7-1 |
| York Intl | Q | .12 | 6-20 | 6-27 |

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

### Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

## INTERNATIONAL FUTURES

**June 4, 1997**

### Grains

**CORN (CBOT)** 5,000 bu minimum- cents per bushel

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 277 | 271 | 271¼ | —6¼ | 113,115 |
| Sep 97 | 262 | 255¾ | 256½ | —5½ | 32,211 |
| Dec 97 | 259½ | 254 | 254¾ | —5 | 109,423 |
| Mar 98 | 264½ | 260½ | 261 | —4¾ | 13,369 |
| May 98 | 267½ | 265 | 265½ | —4 | 1,434 |
| Jul 98 | 270 | 268¼ | 269 | —4 | 3,369 |
| Sep 98 | | | 257 | —3 | 1 |

Est. sales N.A. Tue's sales 52,522
Tue's open int 276,295 off 197

**SOYBEAN MEAL (CBOT)** 100 tons- dollars per ton

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 282.90 | 273.10 | 273.10 | —10.00 | 45,816 |
| Aug 97 | 264.40 | 255.00 | 255.30 | —9.40 | 18,138 |
| Sep 97 | 243.00 | 239.30 | 239.40 | —5.60 | 11,693 |
| Oct 97 | 230.00 | 225.80 | 226.80 | —3.20 | 10,825 |
| Dec 97 | 223.00 | 219.20 | 219.60 | —3.20 | 21,609 |
| Jan 98 | 220.00 | 217.00 | 218.00 | —2.00 | 2,335 |

Est. sales N.A. Tue's sales 20,234
Tue's open int 113,717 up 1536

**SOYBEAN OIL (CBOT)** 60,000 lbs- cents per lb

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 23.80 | 23.25 | 23.34 | —0.51 | 46,156 |
| Aug 97 | 24.05 | 23.43 | 23.50 | —0.55 | 16,114 |
| Sep 97 | 24.12 | 23.58 | 23.72 | —0.51 | 9,492 |
| Oct 97 | 24.08 | 23.65 | 23.80 | —0.45 | 9,540 |
| Dec 97 | 24.40 | 23.90 | 24.05 | —0.47 | 18,923 |
| Jan 98 | 24.48 | 24.08 | 24.22 | —0.45 | 1,375 |

Est. sales N.A. Tue's sales 13,357
Tue's open int 102,03F up 536

**SOYBEANS (CBOT)** 5,000 bu minimum- cents per bushel

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 857½ | 830 | 830 | —30 | 87,552 |
| Aug 97 | 811 | 785 | 786 | —27 | 26,045 |
| Sep 97 | 727½ | 711 | 712¾ | —16 | 9,450 |
| Nov 97 | 691 | 679 | 682½ | —8¾ | 51,775 |
| Jan 98 | 691½ | 681½ | 686 | —9 | 6,816 |

Est. sales N.A. Tue's sales 68,411
Tue's open int 185,226 up 2509

**WHEAT (CBOT)** 5,000 bu minimum- cents per bushel

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 362½ | 352½ | 357¾ | —8¼ | 45,551 |
| Sep 97 | 367 | 360½ | 361½ | —6½ | 16,305 |
| Dec 97 | 378½ | 371½ | 373¼ | —5¼ | 16,679 |
| Mar 98 | 381 | 375 | 375½ | —6 | 2,030 |

Est. sales N.A. Tue's sales 12,674
Tue's open int 81,285 off 403

### Livestock

**CATTLE (CMER)** 40,000 lbs.- cents per lb

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 64.45 | 64.02 | 64.12 | —0.05 | 16,922 |
| Aug 97 | 64.47 | 64.02 | 64.12 | —0.10 | 47,092 |
| Oct 97 | 67.75 | 67.42 | 67.55 | —0.02 | 21,454 |
| Dec 97 | 70.25 | 69.95 | 70.12 | —0.10 | 10,885 |
| Feb 98 | 71.07 | 70.90 | 70.92 | —0.10 | 5,517 |
| Apr 98 | 72.90 | 72.65 | 72.70 | —0.10 | 2,240 |

Est. sales 14,050 Tue's sales 23,629
Tue's open int 104,511 up 417

**FEEDER CATTLE (CMER)** 50,000 lbs. - cents per lb.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Aug 97 | 77.75 | 76.80 | 77.30 | +0.15 | 10,837 |
| Sep 97 | 77.65 | 76.80 | 77.30 | +0.20 | 2,115 |
| Oct 97 | 77.75 | 76.95 | 77.40 | +0.10 | 3,503 |
| Nov 97 | 79.30 | 78.55 | 78.85 | +0.12 | 1,946 |
| Jan 98 | 79.75 | 79.15 | 79.50 | +0.15 | 498 |
| Mar 98 | 79.30 | 78.85 | 79.00 | +0.10 | 102 |

Est sales 2,757 Tue's sales 4,263
Tue's open int 19,079 off 338

**HOGS-Lean (CMER)** 40,000 lbs.- cents per lb.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 81.40 | 80.77 | 81.22 | +0.45 | 8,124 |
| Jul 97 | 82.75 | 81.90 | 82.37 | +0.22 | 10,385 |
| Aug 97 | 80.90 | 80.25 | 80.62 | +0.60 | 8,365 |
| Oct 97 | 73.37 | 72.95 | 73.15 | +0.32 | 5,976 |
| Dec 97 | 70.25 | 69.90 | 70.07 | +0.07 | 3,570 |

Est. sales 12,072 Tue's sales 10,099
Tue's open int 39,200 up 232

**PORK BELLIES (CMER)** 40,000 lbs.- cents per lb.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 91.25 | 89.40 | 90.25 | +0.95 | 5,407 |
| Aug 97 | 91.00 | 89.30 | 89.80 | +0.55 | 1,997 |
| Feb 98 | 80.00 | 78.85 | 79.15 | —0.40 | 441 |

Est sales 2,711 Tue's sales 2,885
Tue's open int 7,864 off 132

### Food

**COCOA (NCSE)** 10 metric tons- $ per ton

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 1432 | 1418 | 1420 | —29 | 24,243 |
| Sep 97 | 1471 | 1459 | 1461 | —27 | 18,576 |
| Dec 97 | 1501 | 1491 | 1492 | —23 | 19,996 |
| Mar 98 | 1527 | 1520 | 1521 | —23 | 21,181 |
| May 98 | 1541 | 1537 | 1537 | —25 | 8,564 |
| Jul 98 | 1558 | 1553 | 1554 | —28 | 555 |

Est. sales 12,800 Tue's sales 12,310
Tue's open int 95,276 up 713

**COFFEE C (NCSE)** 37,500 lbs - cents per lb

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 264.50 | 250.00 | 251.55 | —12.65 | 11,522 |
| Sep 97 | 234.00 | 224.10 | 225.10 | —7.95 | 8,139 |
| Dec 97 | 198.00 | 190.00 | 190.90 | —6.15 | 4,941 |
| Mar 98 | 183.00 | 171.25 | 174.10 | —3.90 | 2,182 |
| May 98 | | | 171.80 | —1.05 | 472 |

Est. sales 8,448 Tue's sales 11,365
Tue's open int 27,537 up 47

**SUGAR-WORLD 11 (NCSE)** 112,000 lbs - cents per lb.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 11.58 | 11.34 | 11.51 | +0.03 | 77,212 |
| Oct 97 | 11.34 | 11.16 | 11.32 | +0.03 | 56,789 |
| Mar 98 | 11.21 | 11.07 | 11.21 | +0.06 | 29,033 |
| May 98 | 11.11 | 11.00 | 11.10 | +0.04 | 6,771 |

Est. sales 33,315 Tue's sales 37,354
Tue's open int 174,401 up 7822

**ORANGE JUICE (NCTN)** 15,000 lbs.- cents per lb.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 79.90 | 77.75 | 79.25 | +1.75 | 15,922 |
| Sep 97 | 81.90 | 80.05 | 81.35 | +1.80 | 8,199 |
| Nov 97 | 84.50 | 82.50 | 84.00 | +1.90 | 3,855 |
| Jan 98 | 87.00 | 84.90 | 86.50 | +1.60 | 1,673 |

Est. sales N.A. Tue's sales 2,590
Tue's open int 31,161 off 344

### Metals

**GOLD (NCMX)** 100 troy oz.- dollars per troy oz.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 342.50 | 340.70 | 340.90 | —2.10 | 856 |
| Jul 97 | 342.90 | 342.10 | 342.10 | —2.10 | 1 |
| Aug 97 | 346.30 | 343.40 | 343.60 | —2.10 | 65,327 |
| Oct 97 | 347.20 | 346.00 | 346.00 | —2.20 | 7,413 |
| Dec 97 | 349.90 | 348.50 | 348.50 | —2.30 | 26,064 |
| Feb 98 | | | 351.00 | —2.30 | 7,608 |
| Apr 98 | | | 353.40 | —2.30 | 3,823 |
| Jun 98 | | | 356.00 | —2.30 | 7,874 |
| Aug 98 | | | 358.70 | —2.40 | 752 |

Est. sales N.A. Tue's sales 19,670
Tue's open int 150,801 up 789

**HI GRADE COPPER (NCMX)** 25,000 lbs. - cents per lb

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 117.10 | 114.80 | 115.60 | —1.50 | 2,846 |
| Jul 97 | 117.10 | 114.90 | 115.65 | —1.45 | 33,721 |
| Aug 97 | 114.25 | 113.20 | 113.85 | —1.40 | 2,283 |
| Sep 97 | 113.95 | 112.20 | 112.65 | —1.20 | 6,975 |
| Oct 97 | 111.08 | 110.65 | 110.65 | —1.25 | 1,126 |
| Nov 97 | | | 109.15 | —0.95 | 1,214 |
| Dec 97 | 108.90 | 107.60 | 108.15 | —0.95 | 5,783 |
| Jan 98 | | | 106.30 | —0.80 | 656 |
| Feb 98 | | | 104.90 | —0.70 | 541 |

Est. sales N.A. Tue's sales 6,830
Tue's open int 59,550 up 659

**SILVER (NCMX)** 5,000 troy oz - cents per troy oz.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | | | 468.30 | —2.80 | 2 |
| Jul 97 | 474.00 | 469.00 | 470.00 | —2.80 | 57,569 |
| Sep 97 | 477.50 | 473.50 | 474.20 | —2.90 | 8,443 |
| Dec 97 | 483.50 | 479.50 | 480.40 | —3.00 | 7,950 |
| Jan 98 | | | 482.30 | —3.00 | 17 |
| Mar 98 | 489.50 | 486.90 | 486.90 | —3.10 | 8,580 |
| May 98 | | | 490.80 | —3.10 | 2,743 |
| Jul 98 | | | 494.70 | —3.10 | 2,441 |

Est. sales N.A. Tue's sales 9,664
Tue's open int 91,915 up 481

**PLATINUM (NMER)** 50 troy oz.- dollars per troy oz.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 413.00 | 398.50 | 411.60 | +9.90 | 13,797 |
| Oct 97 | 394.60 | 389.10 | 394.60 | +4.40 | 4,821 |
| Jan 98 | 390.60 | 390.00 | 390.60 | +4.40 | 1,286 |

Est. sales N.A. Tue's sales 2,964
Tue's open int 19,926 off 205

**LONDON METALS (LME)** Dollars per metric ton

| | Close | | Previous | |
|---|---|---|---|---|
| **Aluminum (High Grade)** | | | | |
| Spot | 1569.00 | 1570.00 | 1553.00 | 1554.00 |
| Forward | 1593.00 | 1593½ | 1577.00 | 1578.00 |
| **Copper Cathodes (High Grade)** | | | | |
| Spot | 2533½ | 2536½ | 2535.00 | 2538.00 |
| Forward | 2475½ | 2476.00 | 2478.00 | 2479.00 |
| **Lead** | | | | |
| Spot | 612.00 | 613.00 | 610.00 | 611.00 |
| Forward | 626.00 | 627.00 | 622.00 | 623.00 |
| **Nickel** | | | | |
| Spot | 7040.00 | 7045.00 | 7055.00 | 7065.00 |
| Forward | 7130.00 | 7140.00 | 7165.00 | 7170.00 |
| **Tin** | | | | |
| Spot | 5555.00 | 5565.00 | 5615.00 | 5625.00 |
| Forward | 5610.00 | 5620.00 | 5670.00 | 5675.00 |
| **Zinc (Special High Grade)** | | | | |
| Spot | 1319.00 | 1320.00 | 1299.00 | 1300.00 |
| Forward | 1344.00 | 1345.00 | 1324.00 | 1325.00 |

### Financial

**US T. BILLS (CMER)** $1 million- pts of 100 pct.

| | High | Low | Close | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 94.96 | 94.91 | 94.94 | | 4,154 |
| Sep 97 | 94.68 | 94.65 | 94.65 | | 5,853 |
| Dec 97 | | | 94.48 | | 847 |

Est. sales N.A. Tue's sales 665
Tue's open int 10,007 up 203

**5 YR. TREASURY (CBOT)** $100,000 prin- pts & 64ths of 100 pct

| | High | Low | Close | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 106-53 | 105-44 | 105-50 | | 92,097 |
| Sep 97 | 105-38 | 105-28 | 105-34 | | 131,866 |
| Dec 97 | 105-18 | 105-18 | 105-18 | + 02 | 544 |

Est. sales N.A. Tue's sales 74,943
Tue's open int 224,507 up 268

**10 YR. TREASURY (CBOT)** $100,000 prin- pts & 32nds of 100 pct

| | High | Low | Close | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 107-29 | 107-22 | 107-26 | — 01 | 151,897 |
| Sep 97 | 107-12 | 107-05 | 107-09 | — 01 | 201,202 |
| Dec 97 | 106-31 | 106-31 | 106-31 | — 01 | 1,889 |

Est. sales N.A. Tue's sales 84,159
Tue's open int 354,987 off 3619

**US TREASURY BONDS (CBOT)** (8 pct-$100,000-pts & 32nds of 100 pct)

| | High | Low | Close | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 110-18 | 110-06 | 110-13 | — 02 | 195,427 |
| Sep 97 | 110-05 | 109-24 | 110-00 | — 03 | 306,371 |
| Dec 97 | 109-24 | 109-15 | 109-19 | — 03 | 25,080 |
| Mar 98 | | | 109-12 | | 2,040 |

Est. sales N.A. Tue's sales 312,545
Tue's open int 530,579 off 17673

**LIBOR 1-MONTH (CMER)** $3 million- pts of 100 pct

| | High | Low | Close | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 94.30 | 94.29 | 94.30 | | 15,399 |
| Jul 97 | 94.25 | 94.24 | 94.25 | | 11,844 |
| Aug 97 | 94.19 | 94.18 | 94.19 | | 6,048 |

Est. sales N.A. Tue's sales 2,119
Tue's open int 36,675 up 157

**LONG GILT (LIFFE)** £50,000 - pts & 32nds of 100 pct

| | High | Low | Close | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 113-13 | 112-26 | 113-03 | — 11 | 67,509 |
| Sep 97 | 113-22 | 113-00 | 113-12 | — 11 | 153,191 |
| Dec 97 | N.T. | N.T. | 113-00 | — 11 | 220,700 |

Est. sales: 77,512. Prev. sales: 135,392
Prev. open int.: 220,700 up 2,750

**GERMAN GOV. BUND (LIFFE)** DM250,000 - pts of 100 pct

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 101.56 | 101.26 | 101.49 | + 0.04 | 111,015 |
| Sep 97 | 100.53 | 100.21 | 100.44 | + 0.03 | 158,848 |
| Dec 97 | N.T. | N.T. | 99.44 | + 0.03 | 269,863 |

Est. sales: 332,908. Prev. sales: 397,813
Prev. open int.: 269,863 off 2,418

**10-YEAR FRENCH GOV. BONDS (MATIF)** FF500,000 - pts of 100 pct

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Sep 97 | 127.88 | 127.44 | 127.50 | — 0.28 | 55,081 |
| Dec 97 | 97.30 | 97.30 | 96.92 | — 0.28 | 0 |

Est. sales: 203,420 . Open int.: 230,016 up 12,691.

**ITALIAN GOVERNMENT BOND (LIFFE)** ITL 200 million - pts of 100 pct

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 129.65 | 129.47 | 129.60 | — 0.20 | 32,960 |
| Sep 97 | 130.88 | 130.25 | 130.48 | — 0.42 | 73,509 |
| Dec 97 | 103.70 | 103.40 | 103.58 | — 0.07 | 0 |

Est. sales: 74,002 . Prev. sales: 142,057
Prev. open int.: 106,469 off 12,266

**EURODOLLARS (CMER)** $1 million-pts of 100 pct.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 94.19 | 94.18 | 94.18 | | 403,269 |
| Jul 97 | 94.13 | 94.12 | 94.12 | | 16,089 |
| Aug 97 | 94.07 | 94.07 | 94.07 | | 2,396 |
| Sep 97 | 94.02 | 94.00 | 94.01 | | 484,756 |
| Dec 97 | 93.80 | 93.76 | 93.79 | | 378,426 |
| Mar 98 | 93.69 | 93.65 | 93.68 | | 276,349 |
| Jun 98 | 93.57 | 93.53 | 93.56 | +0.01 | 238,294 |
| Sep 98 | 93.47 | 93.43 | 93.46 | | 183,755 |
| Dec 98 | 93.36 | 93.32 | 93.34 | | 125,828 |
| Mar 99 | 93.34 | 93.31 | 93.33 | | 101,867 |
| Jun 99 | 93.31 | 93.27 | 93.31 | +0.02 | 81,287 |
| Sep 99 | 93.27 | 93.24 | 93.27 | +0.01 | 67,741 |

Est. sales N.A. Tue's sales 281,880
Tue's open int 2,746,341 up 9668

**BRITISH POUND (CMER)** 62,500 pounds, $ per pound

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 1.6350 | 1.6240 | 1.6312 | | 36,201 |
| Sep 97 | 1.6310 | 1.6210 | 1.6276 | | 5,511 |
| Dec 97 | | | 1.6280 | | 113 |

Est. sales N.A. Tue's sales 4,409
Tue's open int 41,825 up 294

**CANADIAN DOLLAR (CMER)** 100,000 dollars, $ per Cdn. dlr

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | .7283 | .7267 | .7277 | | 56,814 |
| Sep 97 | .7330 | .7312 | .7325 | | 10,704 |
| Dec 97 | .7364 | .7363 | .7364 | | 1,659 |

Est. sales N.A. Tue's sales 8,428
Tue's open int 70,087 up 46

**GERMAN MARK (CMER)** 125,000 marks, $ per mark

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | .5800 | .5771 | .5780 | | 75,130 |
| Sep 97 | .5838 | .5810 | .5818 | | 18,169 |
| Dec 97 | .5862 | .5857 | .5860 | | 523 |

Est. sales N.A. Tue's sales 34,557
Tue's open int 93,944 up 3846

**JAPANESE YEN (CMER)** 12.5 million yen, $ per 100 yen

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | .8641 | .8598 | .8617 | | 73,958 |
| Sep 97 | .8750 | .8720 | .8731 | | 9,259 |
| Dec 97 | .8845 | .8845 | .8845 | | 883 |

Est. sales N.A. Tue's sales 12,459
Tue's open int 84,109 up 69

**SWISS FRANC (CMER)** 125,000 francs, $ per franc

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | .6986 | .6908 | .6920 | | 38,607 |
| Sep 97 | .7044 | .6985 | .6993 | | 6,472 |
| Dec 97 | .7110 | .7070 | .7070 | | 545 |

Est. sales N.A. Tue's sales 16,410
Tue's open int 45,882 off 1061

**MEXICAN PESO (CMER)** 500,000 pesos, $ per peso

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | .12565 | .12520 | .12552 | | 16,564 |
| Sep 97 | .12077 | .12045 | .12055 | | 11,944 |
| Dec 97 | .11620 | .11610 | .11620 | | 7,155 |

Est. sales N.A. Tue's sales 5,304
Tue's open int 38,374 off 113

**3-MONTH STERLING (LIFFE)** £500,000 - pts of 100 pct

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 93.36 | 93.33 | 93.34 | — 0.03 | |
| Sep 97 | 93.19 | 93.14 | 93.16 | — 0.04 | 3,214 |
| Dec 97 | 93.04 | 92.97 | 93.00 | — 0.04 | 3,385 |
| Mar 98 | 92.91 | 92.86 | 92.88 | — 0.04 | |
| Jun 98 | 92.81 | 92.76 | 92.79 | — 0.04 | 46,466 |
| Sep 98 | 92.74 | 92.70 | 92.73 | — 0.03 | 32,869 |
| Dec 98 | 92.70 | 92.66 | 92.68 | — 0.03 | 26,818 |
| Mar 99 | 92.67 | 92.62 | 92.65 | — 0.03 | 19,529 |
| Jun 99 | 92.65 | 92.61 | 92.63 | — 0.04 | 11,811 |
| Sep 99 | 92.64 | 92.60 | 92.63 | — 0.03 | 8,937 |
| Dec 99 | 92.63 | 92.63 | 92.62 | — 0.03 | 7,417 |
| Mar 00 | 92.60 | 92.60 | 92.61 | — 0.03 | 3,528 |

Est. sales: 54,401. Prev. sales: 80,914
Prev. open int.: 165,014 off 371,226

**3-MONTH EUROMARK (LIFFE)** DM1 million - pts of 100 pct

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 96.82 | 96.80 | 96.82 | + 0.01 | 209,247 |
| Jul 97 | 96.80 | 96.80 | 96.80 | + 0.01 | 1,497 |
| Aug 97 | 96.77 | 96.77 | 96.77 | + 0.01 | 101 |
| Sep 97 | 96.76 | 96.73 | 96.75 | Unch. | 221,196 |
| Dec 97 | 96.66 | 96.62 | 96.65 | + 0.01 | 245,672 |
| Mar 98 | 96.55 | 96.52 | 96.54 | + 0.01 | 219,989 |
| Jun 98 | 96.38 | 96.34 | 96.36 | + 0.01 | 153,502 |
| Sep 98 | 96.17 | 96.13 | 96.15 | + 0.01 | 131,032 |
| Dec 98 | 95.91 | 95.87 | 95.89 | + 0.01 | 85,329 |
| Mar 99 | 95.64 | 95.61 | 95.63 | + 0.01 | 82,142 |
| Jun 99 | 95.38 | 95.36 | 95.38 | + 0.02 | 42,915 |
| Sep 99 | 95.15 | 95.12 | 95.14 | + 0.02 | 32,952 |
| Dec 99 | 94.90 | 94.89 | 94.91 | + 0.02 | 36,339 |

Est. sales: 171,163. Prev. sales: 157,654
Prev. open int.: 1,485,847 up 12,269

**3-MONTH PIBOR (MATIF)** FF5 million - pts of 100 pct

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 96.55 | 96.47 | 96.51 | — 0.01 | 60,119 |
| Sep 97 | 96.50 | 96.42 | 96.45 | — 0.02 | 60,129 |
| Dec 97 | 96.49 | 96.41 | 96.44 | — 0.03 | 32,965 |
| Mar 98 | 96.43 | 96.36 | 96.38 | — 0.02 | 26,665 |
| Jun 98 | 96.30 | 96.26 | 96.27 | — 0.03 | 23,459 |
| Sep 98 | 96.14 | 96.10 | 96.11 | — 0.02 | 21,709 |
| Dec 98 | 95.95 | 95.89 | 95.91 | — 0.02 | 15,315 |

Est. sales: 67,722. Open int.: 274,586 off 5,242.

**3-MONTH EUROLIRA (LIFFE)** ITL 1 million - pts of 100 pct

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 93.24 | 93.16 | 93.19 | — 0.02 | 88,335 |
| Sep 97 | 93.45 | 93.40 | 93.42 | — 0.02 | 107,584 |
| Dec 97 | 93.66 | 93.61 | 93.64 | — 0.01 | 55,799 |
| Mar 98 | 93.81 | 93.76 | 93.78 | — 0.01 | 37,123 |
| Jun 98 | 93.89 | 93.84 | 93.87 | + 0.01 | 26,615 |
| Sep 98 | 93.91 | 93.85 | 93.89 | + 0.01 | 8,930 |
| Dec 98 | 93.87 | 93.83 | 93.87 | + 0.03 | 3,498 |
| Mar 99 | 93.81 | 93.76 | 93.80 | + 0.03 | 4,095 |

Est. sales: 49,938. Prev. sales: 72,604
Prev. open int: 332,179 up 827

### Industrials

**COTTON 2 (NCTN)** 50,000 lbs. - cents per lb.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 73.45 | 73.00 | 73.12 | —0.30 | 33,30[illegible] |
| Oct 97 | 75.00 | 74.65 | 74.82 | —0.13 | 4,752 |
| Dec 97 | 75.75 | 75.45 | 75.65 | —0.11 | 27,153 |
| Mar 98 | 76.80 | 76.45 | 76.80 | —0.15 | 4,268 |
| May 98 | 77.30 | 77.24 | 77.24 | —0.36 | 1,085 |

Est. sales N.A. Tue's sales 8,904
Tue's open int 73,137 off 507

**HEATING OIL (NMER)** 42,000 gal, cents per gal

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 54.60 | 53.75 | 54.20 | —0.42 | 37,716 |
| Aug 97 | 55.15 | 54.23 | 54.70 | —0.43 | 19,023 |
| Sep 97 | 55.90 | 55.10 | 55.65 | —0.23 | 9,897 |
| Oct 97 | 56.70 | 56.20 | 56.50 | —0.18 | 9,414 |
| Nov 97 | 57.60 | 57.50 | 57.35 | —0.08 | 8,665 |
| Dec 97 | 58.35 | 57.60 | 58.05 | —0.13 | 13,968 |
| Jan 98 | 58.80 | 58.00 | 58.45 | —0.13 | 7,870 |
| Feb 98 | 58.75 | 57.95 | 58.50 | +0.22 | 3,953 |
| Mar 98 | 57.60 | 56.95 | 57.35 | +0.37 | 4,871 |

Est. sales N.A. Tue's sales 31,869
Tue's open int 121,482 off 597

**LIGHT SWEET CRUDE (NMER)** 1,000 bbl.- dollars per bbl.

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 20.38 | 20.00 | 20.16 | —0.17 | 92,941 |
| Aug 97 | 20.52 | 20.12 | 20.33 | —0.12 | 53,663 |
| Sep 97 | 20.55 | 20.18 | 20.40 | —0.08 | 33,433 |
| Oct 97 | 20.50 | 20.20 | 20.41 | —0.05 | 19,839 |
| Nov 97 | 20.46 | 20.38 | 20.44 | +0.01 | 17,781 |
| Dec 97 | 20.45 | 20.28 | 20.43 | +0.04 | 33,829 |
| Jan 98 | 20.40 | 20.37 | 20.40 | +0.04 | 17,294 |
| Feb 98 | 20.38 | 20.28 | 20.31 | —0.02 | 7,587 |
| Mar 98 | 20.35 | 20.35 | 20.35 | +0.06 | 4,567 |
| Apr 98 | 20.35 | 20.35 | 20.25 | +0.10 | 4,273 |

Est. sales N.A. Tue's sales 131,860
Tue's open int 396,755 off 7367

**NATURAL GAS (NMER)** 10,000 mm btu's, $ per mm btu

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 2.170 | 2.098 | 2.170 | | 35,907 |
| Aug 97 | 2.180 | 2.129 | 2.180 | | 22,766 |
| Sep 97 | 2.165 | 2.125 | 2.165 | | 18,819 |
| Oct 97 | 2.180 | 2.147 | 2.175 | | 20,098 |
| Nov 97 | 2.315 | 2.290 | 2.315 | | 8,872 |
| Dec 97 | 2.440 | 2.415 | 2.440 | | 12,347 |
| Jan 98 | 2.485 | 2.460 | 2.480 | | 12,625 |
| Feb 98 | 2.400 | 2.370 | 2.400 | | 9,340 |
| Mar 98 | 2.265 | 2.240 | 2.265 | | 6,436 |
| Apr 98 | 2.120 | 2.105 | 2.110 | | 3,303 |

Est. sales N.A. Tue's sales 51,012
Tue's open int 194,001 off 2251

**UNLEADED GASOLINE (NMER)** 42,000 gal, cents per gal

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jul 97 | 61.35 | 60.20 | 60.48 | —1.04 | 40,381 |
| Aug 97 | 60.30 | 59.50 | 59.70 | —0.78 | 13,751 |
| Sep 97 | 59.55 | 58.80 | 59.20 | —0.38 | 5,635 |
| Oct 97 | 57.90 | 57.60 | 57.90 | —0.08 | 3,237 |
| Nov 97 | 57.20 | 57.00 | 57.20 | —0.08 | 1,752 |
| Dec 97 | 57.00 | 56.60 | 56.70 | —0.23 | 4,153 |

Est. sales N.A. Tue's sales 25,160
Tue's open int 76,594 off 1267

**GASOIL (IPE)** U.S. dollars per metric ton - lots of 100 tons

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 169.50 | 167.50 | 168.75 | —1.25 | 17,152 |
| Jul 97 | 170.75 | 168.75 | 170.50 | —1.00 | 14,666 |
| Aug 97 | 172.75 | 171.50 | 172.50 | —1.00 | 8,258 |
| Sep 97 | 174.00 | 173.50 | 174.75 | —1.00 | 7,984 |
| Oct 97 | 176.50 | 175.50 | 176.75 | —1.25 | 5,279 |
| Nov 97 | 178.00 | 177.25 | 178.25 | —1.25 | 2,285 |
| Dec 97 | 179.50 | 178.50 | 179.50 | —1.00 | 7,896 |

Est. sales: 14,428. Open int.65,193 off 233

**BRENT OIL (IPE)** U.S. dollars per barrel - lots of 1,000 barrels

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| July 97 | 18.97 | 18.70 | 18.72 | —0.18 | 51,469 |
| Aug 97 | 19.11 | 18.88 | 18.89 | —0.17 | 49,058 |
| Sep 97 | 19.19 | 19.03 | 19.04 | —0.15 | 13,675 |
| Oct 97 | 19.24 | 19.10 | 19.11 | —0.13 | 9,539 |
| Nov97 | 19.23 | 19.18 | 19.14 | —0.14 | 6,316 |
| Dec97 | 19.29 | 19.18 | 19.15 | —0.15 | 12,455 |
| Jan98 | 19.19 | 19.14 | 19.12 | —0.12 | 8,252 |
| Feb98 | 19.13 | 19.13 | 19.06 | —0.11 | 4,678 |

Est. sales: 35,000 Open int:160,133 up 220

### Stock Indexes

**S&P COMP. INDEX (CMER)** 500 x index

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 846.20 | 840.70 | 840.90 | —2.25 | 159,897 |
| Sep 97 | 854.30 | 849.50 | 849.50 | —2.35 | 35,671 |
| Dec 97 | 860.90 | 860.90 | 860.90 | —4.18 | 3,485 |

Est. sales N.A. Tue's sales 96,001
Tue's open int 199,467 up 618

**CAC 40 (MATIF)** FF200 per index point

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 2627.0 | 2592.0 | 2614.0 | + 10.0 | 39,609 |
| Jul 97 | 2623.0 | 2599.0 | 2612.0 | + 10.0 | 3,749 |
| Sep 97 | 2636.0 | 2614.0 | 2627.0 | + 10.0 | 15,135 |
| Dec 97 | N.T. | N.T. | 2647.0 | + 10.0 | 452 |

Est. sales: 21,769. Open int.: 69,301 off 292.

**FTSE 100 (LIFFE)** £25 per index point

| | High | Low | Latest | Chge | OpInt |
|---|---|---|---|---|---|
| Jun 97 | 4595.0 | 4569.0 | 4582.0 | — 1.0 | 67,645 |
| Sep 97 | 4621.0 | 4602.5 | 4584.0 | — 1.0 | 10,781 |
| Dec 97 | 4659.0 | 4659.0 | 4633.0 | — 3.0 | 733 |

Est. sales: 19,617. Prev. sales: 18,151
Prev. open int.: 79,159 up 660

### Commodity Indexes

| | Close | Previous |
|---|---|---|
| Moody's | N.A. | 1,606.30 |
| Reuters | 2,006.40 | 2,007.00 |
| D.J. Futures | 159.57 | 161.54 |
| CRB | 247.09 | 248.44 |

*Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.*

uter Issues' Blues

Market Lower

War

FUTURES



# Samsung Criticizes Warsaw in Bank Sale

*Bloomberg News*

SEOUL — Samsung Group criticized the Polish government Wednesday for delaying a decision on the sale of Powszechny Bank Kredytowy SA until mid-June, saying the move discriminated against Samsung.

Samsung and a Polish group were competing to buy the bank in an open auction. Its value is estimated at between $400 million and $500 million.

Last week, Marek Wagner, secretary of state in the Polish prime minister's office, said the sale would be postponed because the Polish government wanted a more attractive offer from the Polish group.

"We are extremely disappointed by the delay, which is apparently to favor our competitor," Kim Suk, treasurer of Samsung, said. "It is not a fair competition. This may affect our future plans in Poland."

Mr. Kim added that Samsung had not been "any proper explanation" for the delay from the Polish government.

HSBC Investment Services, the lead adviser to the Polish government on the sale of PBK, said recently that a decision on the sale of a stake of as much as 65 percent in the bank was expected by June 19.

But Mr. Wagner said last week that the decision would be delayed because the government wanted to "analyze" the "real strength" of the Polish consortium seeking to buy the bank.

The Polish group includes Bank Przemyslowo-Handlowy SA, Kredyt Bank SA, Polski Bank Rozwoju SA and Warta SA, an insurance company. It is likely to be chosen as PBK's strategic investor, local media have reported, because the government is trying to strengthen the Polish banking system before it is opened to increased foreign competition in 1999.

# Unisource to Tighten International Ties

*Compiled by Our Staff From Dispatches*

HOOFDDORP, Netherlands — Unisource NV moved to merge its three partners' international telecommunications arms Wednesday as the group, a European ally of AT&T Corp., sought to strengthen its position after the loss of its Spanish component.

But AT&T will not initially invest its international operations in the venture, though a Unisource spokesman said AT&T might eventually add them to Unisource Carrier Services AG, the unit that is to control Unisource's international operations.

Unisource, which consists of Royal PTT Nederland NV, Telia AB of Sweden and Swiss Telecom PTT, said the international linkup would better position it to compete with other alliances for the growing international business as the 15 European Union nations opened their markets to competition in 1998.

But an analyst was less enthusiastic. "They're struggling, and they're trying to fortify the alliance because it really hasn't been doing well," Mark Fleming, an analyst at Andersen Consulting, said. "That's partly a function of the complexity of having so many partners."

Unisource said integration of the networks would attract more business, eliminating duplication and cutting overhead. It predicted that the move would lower costs by as much as 30 percent, savings it said it planned to pass on to customers.

"The overriding thing," said Paul Smits, Unisource's president, "is that in the new arena it's everything to do with being competitive, having large volumes, extremely slim organizations, dealing with the newest technology, offering extremely low tariffs."

The entity will have annual sales of $2 billion, he said.

Telecommunications partnerships have been shifting as participants jockey for position in a market that CIT Research Ltd. in London calculates was worth $3.5 billion in revenue in 1995 and will rise to $14.5 billion by 2004.

Mr. Fleming said Unisource was trying to catch up with its two main rivals, which are targeting the growing international telecommunications requirements of multinational companies. The competitors are Concert, which is led by British Telecommunications PLC and MCI Communications Corp., and Global One, a joint venture of Deutsche Telekom, France Telecom and Sprint Corp.

Telefonica of Spain left Unisource last month when the Spanish company joined Concert.

Mr. Smits said Unisource might add another European partner but was not desperate to replace Telefonica. "It's a pity the Telefonica thing happened, but that's that," he said.

Unisource said the three European partners would not assume equity stakes in one other, because only Royal PTT Nederland's shares are traded. Telia and Swiss Telecom are wholly owned by their governments.

Shares in Royal PTT rose 3.90 guilders to close at 74.60 guilders ($38.41) in Amsterdam.

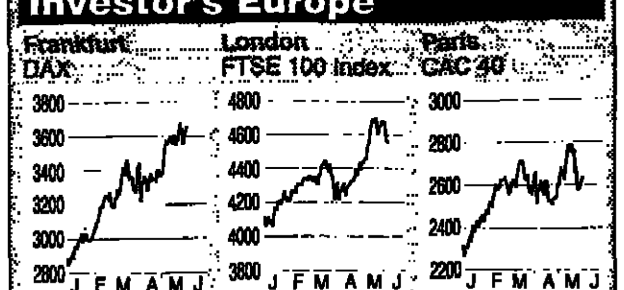
*(Bloomberg, Reuters)*

## ■ France Telecom Sale Backed

A key France Telecom staff union said the partial privatization of the company was inevitable and urged the incoming Socialist-led government to proceed with the sale, Reuters reported from Paris.

"We hope that we do not have to wait too long before the government takes a decision, taking into consideration the future of France Telecom," said the union, the Confederation Generale du Travail. "Too much time has already been lost, and France Telecom is already behind on its rivals." The sale of about a third of France Telecom to private investors, which was to have begun Thursday, was delayed after the Socialists won France's legislative election Sunday.

## Investor's Europe




| Exchange | Index | Wednesday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Amsterdam | AEX | 817.12 | 811.99 | +0.63 |
| Brussels | BEL-20 | 2,284.40 | 2,280.77 | +0.16 |
| Frankfurt | DAX | 3,661.84 | 3,625.74 | +1.00 |
| Copenhagen | Stock Market | 579.03 | 577.13 | +0.33 |
| Helsinki | HEX General | 3,077.18 | 3,085.22 | -0.26 |
| Oslo | OBX | 641.31 | 643.37 | -0.32 |
| London | FTSE 100 | 4,557.10 | 4,557.80 | -0.02 |
| Madrid | Stock Exchange | 557.47 | 556.67 | +0.14 |
| Milan | MIBTEL | 12260 | 12238 | +0.18 |
| Paris | CAC 40 | 2,635.37 | 2,624.49 | +0.41 |
| Stockholm | SX 16 | 3,062.79 | 3,062.55 | +0.01 |
| Vienna | ATX | 1,304.17 | 1,298.82 | +0.41 |
| Zurich | SPI | 3,313.71 | 3,291.37 | +0.68 |

Source: Telekurs — International Herald Tribune

# Daimler to Assemble Mercedes Cars in Egypt

*Reuters*

CAIRO — Daimler-Benz AG will start assembling luxury cars in Egypt in November at a new 150 million Egyptian pound ($44.3 million) plant majority-owned by National Automotive Co., a local Mercedes-Benz agent.

The plant in Sixth of October City in the desert west of Cairo will produce 2,500 Mercedes-Benz E-200s a year, executives from the two companies said.

The cars, which will compete with locally assembled 5-series models from Bayerische Motoren Werke AG, will sell for 298,000 pounds, said Sami Saad, chairman of the joint-venture production company, Egyptian German Automotive.

Industry sources said the price was 100,000 pounds less than that of the equivalent imported model.

The local content of the cars will start at 40 percent, the minimum under current regulations to qualify for reduced tariff rates, Mr. Saad said.

National Automotive, a private company, holds a 72 percent stake in the new joint venture, Daimler-Benz holds 26 percent, and 2 percent is owned by National International Trade, another private company. The companies announced the plans to investors late Tuesday.

Mr. Saad said the plant would employ 207 workers, with perhaps six times as many in the industries producing components. The plant has room to install a second assembly line, and production could eventually rise to 10,000 cars a year.

Hartmut Buehler, a Daimler-Benz vice president, said his company was attracted to Egypt by "the strong economic position, a rising standard of living, an open-door policy attracting investments and the removal of barriers like import licenses."

The venture has not decided whether to assemble other models or export cars to neighboring countries.

"The first step is to satisfy the demand of the Egyptian market," Mr. Buehler said. "But you can be sure that we wouldn't get into such an investment unless we thought there would come a time when we could use this in a wider strategy."

Separately, BMW said Wednesday that it would unveil its first domestically produced sedan on June 18.

## Very briefly:

- **Italian** authorities withdrew a proposal to grant 7.7 million European currency units ($8.7 million) in aid to **Olivetti SpA** for a project to develop portable multimedia personal computers, the European Commission said.
- **Greek and Italian** national telephone companies are teaming up to seek a major stake in **Serbia's** telecommunications company, according to the Greek company. **Hellenic Telecommunications Organization SA.**
- **France Telecom** and **Telefonica de Espana SA** are candidates to buy the Moroccan telecommunications network.
- **OCP Construcciones SA and Gines Navarro Construcciones SA** plan to merge and form what would be Spain's third- or fourth-biggest building company in terms of sales. The combined market capitalization of the two companies is about 77 billion pesetas ($528.7 million).
- **Accor SA**, the world's No. 4 hotel company, said George Soros had raised his stake in the company, and it predicted net profit and earnings per share would double by 2000. Accor said the international investor raised his stake to 2.1 percent in May from 1 percent.
- **NFC PLC**, the British moving company that owns **Allied Van Lines**, said it would take a charge of £49 million ($80 million) to revamp or sell some of its businesses in Britain and Continental Europe.
- **Compania Vinicola del Norte de Espana**, a Spanish wine producer, plans a public offering and a capital increase.
- **Philips Electronics NV** is holding talks with banks about its plan to sale its French unit **Philips Photonique.**
- **Italy's** consumer prices rose 0.3 percent in May from April and 1.6 percent from a year earlier, confirming the country's lowest inflation rate since 1969.
- **Compagnie de Suez**, which is to merge with **Lyonnaise des Eaux SA**, said it aimed to keep at least a 50 percent stake in **Tractebel SA of Belgium.** *Reuters, Bloomberg, AFX*

# Chief of German CompuServe Unit Steps Down

*Bloomberg News*

MUNICH — CompuServe Corp.'s German unit said Wednesday that its chief, who currently is battling prosecutors' accusations that he helped distribute pornography on the Internet, was leaving the company to start his own business.

The on-line service, the second-largest in Germany, confirmed a report in PC Magazin that Felix Somm, 34, had quit as head of CompuServe GmbH. Prosecutors are continuing to pursue charges that Mr. Somm helped to distribute pornographic material and other "offensive" material on the Internet, marking the first time a government has sought to hold an on-line service liable for information transmitted over the worldwide computer network.

CompuServe, however, said Mr. Somm's resignation was not related to the court case. The company will continue to help Mr. Somm defend himself against the allegations, said Jerry Roest, European general manager, although he would not say whether CompuServe also planned to pay Mr. Somm's legal fees.

"This makes absolutely no difference to us," Mr. Roest said of Mr. Somm's resignation. "CompuServe and Felix are dealing with this together. We feel the charges are unfounded and plan to defend against them vigorously."

The on-line service, the second-largest one in the United States as well, has about 300,000 subscribers in the rapidly growing German market. The largest Internet access provider in Germany is the phone company Deutsche Telekom AG.

# WORLD STOCK MARKETS

**Wednesday, June 4**

Prices in local currencies.

*Telekurs*

## Amsterdam

AEX index: 817.12 — Previous: 811.99

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| ABN-AMRO | 36.50 | 35.70 | 35.90 | 36.30 |
| Aegon | 146.50 | 145 | 146 | 145.50 |
| Ahold | 147.80 | 145.80 | 146.40 | 147.30 |
| Akzo Nobel | 257.20 | 252.40 | 253.20 | 255.70 |
| Baan Co. | 120.40 | 117.80 | 119.20 | 118 |
| Bols Wess cvs | 36.60 | 36.20 | 36.30 | 36.60 |
| CSM cva | 100.50 | 98.90 | 99.30 | 99.80 |
| Dordtsche Pet | 392.50 | 388 | 389.50 | 389.50 |
| DSM | 191 | 188.30 | 188.30 | 190.70 |
| Elsevier | 32.90 | 32.60 | 32.80 | 32.80 |
| Fortis Amev | 82 | 80.60 | 81.10 | 81.50 |
| Getronics | 66.10 | 65.50 | 66 | 65.50 |
| G-Broc cva | 65.50 | 64.50 | 64.70 | 65.40 |
| Hagemeyer | 94.80 | 92.60 | 93 | 94 |
| Heineken | 333 | 328.50 | 332 | 328.50 |
| Hoogovens cva | 104.40 | 99.10 | 104.10 | 98.90 |
| Hunt Douglas | 169.50 | 167.50 | 168.50 | 169 |
| ING Group | 88.30 | 87.50 | 88.10 | 87.60 |
| KLM | 56 | 55.20 | 55.30 | 56 |
| KNP BT | 41.10 | 40.30 | 40.60 | 40.40 |
| KPN | 74.90 | 70.70 | 74.60 | 70.70 |
| Nedlloyd Gp | 47.30 | 46.50 | 47 | 47.20 |
| Nutricia | 303.70 | 302.20 | 303 | 302.50 |
| Oce Grinten | 258.50 | 254.50 | 257 | 256 |
| Philips Elec | 119.10 | 112.60 | 117.90 | 113.70 |
| Polygram | 94.50 | 92.30 | 93.70 | 92.20 |
| Randstad Hdg | 205 | 197 | 203.50 | 198 |
| Robeco | 177.70 | 175 | 175 | 175 |
| Rodamco | 61.20 | 60.80 | 61.10 | 61.10 |
| Rolinco | 181.50 | 181 | 181 | 181 |
| Rorento | 111.70 | 111.40 | 111.40 | 111.40 |
| Royal Dutch | 380.50 | 376.30 | 377.60 | 377.50 |
| Unilever cva | 379.60 | 374 | 375.20 | 378 |
| Vendex Intl | 115.90 | 112.50 | 115.70 | 112 |
| VNU | 45.70 | 43.60 | 45 | 43.70 |
| Wolters Kl cva | 234.20 | 232.50 | 234 | 233.60 |

## Bangkok

SET index: 552.87 — Previous: 554.57

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Adv Info Svc | 174 | 167 | 169 | 172 |
| Bangkok Bk F | 218 | 208 | 208 | 212 |
| Krung Thai Bk | 29 | 28.25 | 28.25 | 28.50 |
| PTT Explor | 320 | 316 | 318 | 316 |
| Siam Cement F | 524 | 480 | 490 | 524 |
| Siam Com Bk F | 129 | 123 | 123 | 128 |
| Telecomasia | 29.50 | 27.75 | 28 | 29 |
| Thai Airways | 38.75 | 38.25 | 38.50 | 37.50 |
| Thai Farm Bk F | 125 | 120 | 120 | 125 |
| Utd Comm | 114 | 109 | 111 | 110 |

## Bombay

Sensex 30 index: 3841.42 — Previous: 3838.85

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Bajaj Auto | 896.50 | 886.25 | 888.50 | 884 |
| Hindust Lever | 1268 | 1210 | 1239.25 | 1212.50 |
| Hindust Petro | 430 | 427.50 | 427.75 | 428.75 |
| Ind Dev Bk | 93 | 92 | 92.25 | 92 |
| ITC | 484 | 475.25 | 480 | 477.50 |
| Mahanagar Tel | 289.75 | 281 | 281.25 | 287 |
| Reliance Ind | 306.50 | 302.75 | 304 | 303.75 |
| State Bk India | 325.75 | 320.50 | 321.50 | 319.25 |
| Steel Authority | 18.50 | 18.25 | 18.25 | 18.50 |
| Tata Eng Loco | 406 | 399.75 | 401 | 402.50 |

## Brussels

BEL-20 index: 2284.40 — Previous: 2280.77

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Almanij | 16150 | 15900 | 15975 | 16075 |
| Barco Ind | 6380 | 6300 | 6340 | 6310 |
| BBL | 9840 | 9750 | 9760 | 9820 |
| CBR | 3295 | 3250 | 3290 | 3275 |
| Colruyt | 14550 | 14350 | 14425 | 14350 |
| Delhaize Lion | 1870 | 1825 | 1835 | 1820 |
| Electrabel | 7830 | 7750 | 7790 | 7840 |
| Electrafina | 3580 | 3545 | 3560 | 3570 |
| Fortis AG | 6940 | 6890 | 6880 | 6860 |
| Gevaert | 2140 | 2100 | 2115 | 2105 |
| GBL | 5800 | 5750 | 5800 | 5750 |
| Gen Banque | 14250 | 14075 | 14150 | 14075 |
| Kredietbank | 14925 | 14750 | 14925 | 14900 |
| Petrofina | 12450 | 12300 | 12300 | 12450 |
| Powerfin | 5000 | 4970 | 4970 | 4990 |
| Royale Belge | 10200 | 10100 | 10100 | 10150 |
| Soc Gen Belg | 3315 | 3285 | 3305 | 3285 |
| Solvay | 21750 | 21675 | 21700 | 21625 |
| Tractebel | 15600 | 15475 | 15525 | 15575 |
| UCB | 96400 | 96350 | 96450 | 96450 |

## Copenhagen

Stock Index: 579.03 — Previous: 577.13

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| BG Bank | 315 | 303 | 310 | 306 |
| Carlsberg B | 385 | 375 | 378 | 388 |
| Codan Fors | 915 | 900 | 900 | 880 |
| Danisco | 399 | 392 | 398 | 392 |
| Den Danske Bk | 632 | 622 | 632 | 625 |
| D/S Svendborg B | 339470 | 338000 | 339000 | 337462 |
| D/S 1912 B | 236000 | 233000 | 233470 | 234765 |
| FLS Ind B | 1040 | 1030 | 1020 | 1030 |
| Kob Lufthavn | 710 | 700 | 718 | 700 |
| Novo Nordisk B | 710 | 699 | 710 | 700 |
| Sophus Ber B | 990 | 967.50 | 967.50 | 981.22 |
| Tele Danmk B | 334 | 321.86 | 334 | 321 |
| Tryg Baltica | 366 | 359 | 363 | 360 |
| Unidanmark A | 354 | 343 | 354 | 346 |

## Frankfurt

DAX: 3661.84 — Previous: 3625.74

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| AMB B | 1405 | 1389 | 1389 | 1405 |
| Adidas | 191 | 189.50 | 190 | 186.20 |
| Allianz Hdg | 372 | 368 | 368.80 | 366.50 |
| Altana | 1599 | 1545 | 1599 | 1547 |
| Bk Berlin | 39.50 | 39.30 | 39.50 | 39 |
| BASF | 65.80 | 64.40 | 64.62 | 64.80 |
| Bay Hypo Bk | 54.60 | 54.20 | 54.55 | 53.95 |
| Bay Vereinsbank | 73.10 | 72.90 | 72.75 | 71.95 |
| Bayer | 69.20 | 68.42 | 69.10 | 68.20 |
| Beiersdorf | 93.80 | 92.50 | 92.50 | 93.40 |
| Bilfinger | 42.70 | 41.40 | 42.80 | 41 |
| BMW | 1431 | 1415 | 1427 | 1405 |
| CKAG Colonia | 146.30 | 144 | 146 | 145.80 |
| Commerzbank | 50.15 | 48.85 | 50.10 | 48.40 |
| Daimler Benz | 126.30 | 123.70 | 124.90 | 123.70 |
| Degussa | 85.19 | 84.70 | 84.90 | 84.80 |
| Deutsche Bank | 98.70 | 98 | 98.65 | 96.38 |
| Deut Telekom | 39.05 | 38.65 | 38.90 | 38.35 |
| Dresdner Bank | 62.40 | 61.80 | 62.05 | 61.65 |
| Fresenius | 359.50 | 355 | 358 | 352 |
| Fresenius Med | 159.50 | 155.80 | 157 | 148.40 |
| Fried. Krupp | 330 | 322 | 329.50 | 320 |
| Gehe | 124.40 | 123.50 | 123.50 | 125 |
| Heidelbg Zml | 168 | 165 | 166 | 161 |
| Henkel pfd | 97.55 | 95.90 | 96 | 97 |
| HEW | 483 | 483 | 483 | 485 |
| Hochtief | 75.50 | 74.50 | 74.70 | 73.80 |
| Hoechst | 68.60 | 67.60 | 68.35 | 68.34 |
| Karstadt | 623 | 614 | 616 | 607 |
| Lahmeyer | 75 | 74 | 74 | 75.50 |
| Linde | 1240 | 1228 | 1230 | 1216 |
| Lufthansa | 29.70 | 29.20 | 29.50 | 28.35 |
| MAN | 514 | 511.50 | 511.50 | 508 |
| Mannesmann | 739 | 733 | 733 | 723.80 |
| Metallgesellschaft | 37.20 | 36.55 | 37 | 36.44 |
| Metro | 191.50 | 189 | 191 | 187.55 |
| Munich Rueck R | 4565 | 4480 | 4562 | 4475 |
| Preussag | 465.50 | 463 | 465.50 | 462.50 |
| RWE | 75.60 | 74.40 | 75.25 | 75.50 |
| SAP pfd | 318 | 315.10 | 316.70 | 318 |
| Schering | 179.50 | 177.70 | 179 | 179.20 |
| SGL Carbon | 260.75 | 260 | 260.50 | 258.50 |
| Siemens | 98.80 | 97.97 | 98.40 | 98.03 |
| Springer (Axel) | 1510 | 1510 | 1510 | 1510 |
| Suedzucker | 930 | 925 | 930 | 900 |
| Thyssen | 412 | 407 | 408.40 | 400.50 |
| Veba | 98.60 | 97.90 | 98.60 | 97.35 |
| VEW | 523 | 520 | 525 | 520 |
| Viag | 786 | 781 | 785.50 | 775 |
| Volkswagen | 1178 | 1169 | 1175 | 1146 |

## Helsinki

HEX General index: 3077.18 — Previous: 3085.22

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Enso A | 47 | 46.50 | 46.50 | 46.50 |
| Huhtamaki I | 229 | 225 | 227 | 223 |
| Kemira | 51.50 | 50.30 | 50.70 | 51.50 |
| Kesko | 77.90 | 76.10 | 77.80 | 77 |
| Merita A | 17.80 | 17.50 | 17.60 | 17.50 |
| Metra B | 148 | 147 | 147 | 147.90 |
| Metsa-Serla B | 41.20 | 40.60 | 40.50 | 41.50 |
| Neste | 138 | 136.50 | 138 | 136.50 |
| Nokia A | 347.90 | 344.50 | 344.50 | 346 |
| Orion-Yhtymae | 214 | 210.50 | 214 | 211 |
| Outokumpu A | 103.10 | 102.50 | 103 | 103.50 |
| UPM-Kymmene | 119.58 | 118 | 118.50 | 119.40 |
| Valmet | 94 | 89.90 | 90.40 | 94 |

## Hong Kong

Hang Seng: 14831.58 — Previous: 14760.17

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Amoy Props | 8.90 | 8.70 | 8.80 | 8.80 |
| Bk East Asia | 28.25 | 27.90 | 27.95 | 28.15 |
| Cathay Pacific | 11.85 | 11.60 | 11.80 | 11.65 |
| Cheung Kong | 80 | 78.25 | 79.50 | 78 |
| CK Infrastruct | 25 | 24.50 | 24.80 | 24.40 |
| China Light | 43.60 | 42.60 | 43 | 42.80 |
| Citic Pacific | 49.80 | 47.30 | 48.90 | 47.30 |
| Dao Heng Bk | 42.30 | 41.60 | 41.80 | 42 |
| First Pacific | 10.70 | 10.35 | 10.50 | 10.40 |
| Hang Lung Dev | 15 | 14.80 | 14.90 | 14.90 |
| Hang Seng Bk | 93 | 91.75 | 92.25 | 91.50 |
| Henderson Inv | 9.18 | 8.95 | 9 | 8.95 |
| Henderson Ld | 76.25 | 74.50 | 74.75 | 74.25 |
| HK China Gas | 14 | 13.80 | 13.95 | 13.85 |
| HK Electric | 29.70 | 29.05 | 29.20 | 29.05 |
| HK Telecomm | 17.45 | 17 | 17.05 | 17.45 |
| Hopewell Hdgs | 4.25 | 4.15 | 4.20 | 4.15 |
| HSBC Hdgs | 231 | 225 | 229 | 227 |
| Hutchison Wh | 65.50 | 64 | 64.75 | 64.25 |
| Hysan Dev | 25.50 | 25.05 | 25.10 | 25.30 |
| Johnson El Hdg | 22.85 | 22.70 | 22.70 | 22.90 |
| Kerry Props | 19.75 | 19.50 | 19.50 | 19.70 |
| New World Dev | 50.50 | 48.90 | 49.50 | 49.60 |
| Oriental Press | 2.75 | 2.73 | 2.75 | 2.70 |
| Pearl Oriental | 2.70 | 2.63 | 2.63 | 2.70 |
| SHK Props | 98 | 95.75 | 96.25 | 95.75 |
| Shun Tak Hdgs | 5.30 | 5.20 | 5.25 | 5.25 |
| Sino Land Co. | 9.40 | 8.70 | 9.10 | 8.90 |
| Sth China Post | 7.25 | 7.20 | 7.20 | 7.15 |
| Swire Pac A | 69.50 | 68.25 | 69.25 | 68.75 |
| Wharf Hdgs | 36.40 | 35.20 | 35.50 | 36 |
| Wheelock | 19.50 | 19.30 | 19.40 | 19.05 |

## Jakarta

Composite index: 693.54 — Previous: 698.48

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Astra Intl | 7175 | 6900 | 6925 | 7050 |
| Bk Intl Indon | 1975 | 1925 | 1925 | 1950 |
| Bk Negara | 1625 | 1600 | 1625 | 1600 |
| Gudang Garm | 10500 | 10450 | 10475 | 10575 |
| Indocement | 3000 | 2975 | 2975 | 3000 |
| Indofood | 3625 | 3525 | 3525 | 3500 |
| Indosat | 7300 | 7225 | 7300 | 7225 |
| Sampoerna HM | 10075 | 9950 | 9975 | 9980 |
| Semen Gresik | 5625 | 5500 | 5500 | 5625 |
| Telekomunikasi | 4075 | 3975 | 4000 | 4100 |

## Johannesburg

All Market: 7172.82 — Previous: 7112.84

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Amalgamatd Bks | 28.05 | 27.95 | 28.05 | 28 |
| AngloAm Coal | 271.50 | 271.25 | 271.50 | 271.25 |
| AngloAm Corp | 270.50 | 269 | 269.50 | 268.25 |
| AngloAm Gold | 303 | 300 | 300 | 303 |
| AngloAm Ind | 195 | 188.75 | 191 | 188.50 |
| AVMIN | 16.10 | 15.80 | 15.80 | 16 |
| Barlow | 48.80 | 48.45 | 48.50 | 48.50 |
| C.G. Smith | 25.35 | 25 | 25.35 | 25 |
| De Beers | 162 | 160.50 | 161.50 | 160 |
| Driefontein | 37 | 36.35 | 36.40 | 37 |
| Fst Natl Bk | 35.60 | 35 | 35.35 | 35 |
| Gencor | 20.35 | 19.90 | 20.30 | 20 |
| GFSA | 114 | [illegible] | 113 | 114 |
| Imperial Hdgs | 57 | 56.75 | 56.75 | 56.75 |
| Ingwe Coal | 30.50 | 30.25 | 30.25 | 30.75 |
| Iscor | 3.15 | 3.12 | 3.13 | 3.10 |
| Johnnies Indl | 57.50 | 56.50 | 57.25 | 56.50 |
| Liberty Hdgs | 349.75 | 349 | 349.75 | 349 |
| Liberty Life | 126.25 | 125.50 | 126.25 | 125.25 |
| LibLife Strat | 17.90 | 17.25 | 17.50 | 17.25 |
| Minorco | 105.50 | 104 | 105.50 | 106 |
| Nampak | 18.30 | 18.10 | 18.30 | 18.05 |
| Nedcor | 89 | 88 | 89 | 87.50 |
| Rembrandt Gp | 46.25 | 45.90 | 46 | 46 |
| Richemont | 62.75 | 61 | 62.75 | 60.75 |
| Rust Platinum | [illegible] | | | |
| SA Breweries | 130.25 | 128.75 | 130 | 127.75 |
| Samancor | 49.25 | 49.25 | 49.25 | 49 |
| Sasol | 56.75 | 55.50 | 56.50 | 55.50 |
| SBIC | 214 | 210 | 213.50 | 210 |
| Tiger Oats | 77 | 76.50 | 76.75 | 76.50 |

## Kuala Lumpur

Composite: 1119.28 — Previous: 1126.83

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| AMMB Hdgs | 16.80 | 16.20 | 16.40 | 16.10 |
| Genting | 13.20 | 13.10 | 13.10 | 13.20 |
| Mal Banking | 28 | 26.75 | 27.25 | 27.50 |
| Mal Intl Ship F | 6.05 | 5.90 | 5.95 | 6 |
| Petronas Gas | 9.45 | 9.25 | 9.40 | 9.40 |
| Proton | 13.10 | 12.70 | 12.90 | 12.90 |
| Public Bk | 4.08 | 3.98 | 4 | 4.10 |
| Renong | 3.76 | 3.60 | 3.68 | 3.78 |
| Resorts World | 8.70 | 8.45 | 8.45 | 8.50 |
| Rothmans PM | 27.50 | 26.50 | 26.75 | 27.25 |
| Sime Darby | 8.30 | 8.15 | 8.15 | 8.25 |
| Telekom Mal | 12.70 | 12.40 | 12.60 | 12.60 |
| Tenaga | 12.10 | 11.80 | 11.90 | 12 |
| Utd Engineers | 20.90 | 20.10 | 20.30 | 20.90 |
| YTL | 9.30 | 9.10 | 9.20 | 9.10 |

## London

FT-SE 100: 4557.10 — Previous: 4557.80

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Abbey Natl | 8.55 | 8.25 | 8.40 | 8.41 |
| Allied Domecq | 4.48 | 4.30 | 4.31 | 4.35 |
| Anglian Water | 6.75 | 6.64 | 6.64 | 6.77 |
| Argos | 6.18 | 6.10 | 6.11 | 6.15 |
| Asda Group | 1.23 | 1.20 | 1.20 | 1.20 |
| Assoc Br Foods | 5.31 | 5.22 | 5.27 | 5.31 |
| BAA | 5.45 | 5.28 | 5.28 | 5.30 |
| Barclays | 11.87 | 11.58 | 11.78 | 11.62 |
| Bass | 7.77 | 7.61 | 7.69 | 7.76 |
| BAT Ind | 5.45 | 5.30 | 5.40 | 5.40 |
| Bank Scotland | 3.76 | 3.62 | 3.72 | 3.63 |
| Blue Circle | 4.12 | 4.05 | 4.07 | 4.06 |
| BOC Group | 10.22 | 10.09 | 10.18 | 10.15 |
| Boots | 7.10 | 6.94 | 7.02 | 7.04 |
| BPB Ind | 3.35 | 3.31 | 3.32 | 3.34 |
| Brit Aerosp | 12.61 | 12.10 | 12.42 | 12.18 |
| Brit Airways | 7.02 | 6.89 | 6.96 | 6.95 |
| BG | 2.24 | 2.17 | 2.19 | 2.18 |
| Brit Land | 5.95 | 5.84 | 5.91 | 5.93 |
| Brit Petm | 7.36 | 7.26 | 7.33 | 7.33 |
| BSkyB | 5.80 | 5.73 | 5.76 | 5.77 |
| Brit Steel | 1.52 | 1.49 | 1.49 | 1.51 |
| Brit Telecom | 4.54 | 4.38 | 4.46 | 4.39 |
| BTR | 2.01 | 1.95 | 1.99 | 1.95 |
| Burmah Castrol | 10.46 | 10.36 | 10.42 | 10.41 |
| Burton Gp | 1.32 | 1.28 | 1.28 | 1.32 |
| Cable Wireless | 4.98 | 4.86 | 4.93 | 4.94 |
| Cadbury Schw | 5.35 | 5.20 | 5.27 | 5.27 |
| Carlton Comm | 5.25 | 5.18 | 5.18 | 5.25 |
| Coml Union | 6.77 | 6.53 | 6.62 | 6.73 |
| Compass Gp | 6.74 | 6.67 | 6.67 | 6.73 |
| Courtaulds | 3.42 | 3.34 | 3.37 | 3.33 |
| Dixons | 4.95 | 4.82 | 4.88 | 4.82 |
| Electrocomponents | 4.03 | 3.97 | 3.97 | 3.98 |
| EMI Group | 11.52 | 11.30 | 11.42 | 11.46 |
| Energy Group | 5.52 | 5.41 | 5.42 | 5.42 |
| Enterprise Oil | 7.02 | 6.79 | 6.89 | 6.84 |
| Fam Colonial | 1.63 | 1.61 | 1.62 | 1.61 |
| Genl Accident | 9 | 8.85 | 8.93 | 8.89 |
| GEC | 3.57 | 3.32 | 3.35 | 3.36 |
| GKN | 10.53 | 10.19 | 10.34 | 10.50 |
| Glaxo Wellcome | 12.10 | 11.87 | 11.99 | 12.05 |
| Granada Gp | 8.65 | 8.50 | 8.60 | 8.60 |
| Grand Met | 5.75 | 5.61 | 5.61 | 5.73 |
| GRE | 2.81 | 2.73 | 2.74 | 2.80 |
| Greenalls Gp | 4.67 | 4.60 | 4.61 | 4.64 |
| Guinness | 5.78 | 5.69 | 5.73 | 5.71 |
| GUS | 6.39 | 6.26 | 6.33 | 6.28 |
| Hays | 5.59 | 5.52 | 5.52 | 5.52 |
| HSBC Hldgs | 18.20 | 17.96 | 18.01 | 17.75 |
| ICI | 8.34 | 8.17 | 8.24 | 8.16 |
| Impl Tobacco | 3.84 | 3.51 | 3.78 | 3.72 |
| Kingfisher | 7.20 | 7.09 | 7.09 | 7.16 |
| Ladbroke | 2.51 | 2.43 | 2.48 | 2.44 |
| Land Sec | 8.87 | 8.75 | 8.83 | 8.85 |
| Lasmo | 2.47 | 2.40 | 2.41 | 2.44 |
| Legal Genl Grp | 4.44 | 4.32 | 4.39 | 4.35 |
| Lloyds TSB Gp | 5.97 | 5.79 | 5.89 | 5.80 |
| LucasVarity | 1.86 | 1.82 | 1.82 | 1.84 |
| Marks Spencer | 5.11 | 5.02 | 5.09 | 5.04 |
| MEPC | 5.20 | 5.11 | 5.11 | 5.15 |
| Mercury Asset | 13.60 | 13.33 | 13.33 | 13.58 |
| National Grid | 2.31 | 2.20 | 2.21 | 2.24 |
| Natl Power | 5.09 | 5.01 | 5.05 | 5.06 |
| NatWest | 7.37 | 7.20 | 7.26 | 7.23 |
| Next | 7.18 | 7.05 | 7.13 | 7.14 |
| Orange | 2.12 | 2.08 | 2.10 | 2.07 |
| P&O | 6.49 | 6.33 | 6.42 | 6.47 |
| Pearson | 7.17 | 7.05 | 7.13 | 7.06 |
| Pilkington | 1.25 | 1.20 | 1.25 | 1.19 |
| PowerGen | 6.57 | 6.30 | 6.50 | 6.52 |
| Premier Farnell | 4.65 | 4.55 | 4.63 | 4.59 |
| Prudential | 6.13 | 6 | 6.07 | 6.12 |
| Railtrack Gp | 6.47 | 5.68 | 6.45 | 6.42 |
| Rank Group | 4.32 | 4.21 | 4.27 | 4.29 |
| Reckitt Colm | 8.52 | 8.37 | 8.37 | 8.40 |
| Redland | 3.34 | 3.23 | 3.29 | 3.27 |
| Reed Intl | 6.02 | 5.93 | 5.97 | 5.98 |
| Rentokil Initial | 2.33 | 2.28 | 2.28 | 2.29 |
| Reuters Hdgs | 6.87 | 6.73 | 6.81 | 6.75 |
| Rexam | 2.77 | 2.66 | 2.67 | 2.75 |
| RMC Group | 9.10 | 9 | 9.06 | 9.07 |
| Rolls Royce | 2.43 | 2.36 | 2.39 | 2.39 |
| Royal Bk Scot | 5.95 | 5.80 | 5.88 | 5.82 |
| RTZ reg | 10.46 | 10.30 | 10.36 | 10.32 |
| Royal & Sun All | 4.66 | 4.58 | 4.63 | 4.65 |
| Safeway | 3.46 | 3.40 | 3.44 | 3.47 |
| Sainsbury | 3.56 | 3.50 | 3.53 | 3.51 |
| Schroders | 17 | 16.71 | 16.89 | 16.95 |
| Scot Newcastle | 6.95 | 6.73 | 6.73 | 6.92 |
| Scot Power | 3.71 | 3.43 | 3.65 | 3.69 |
| Securicor | 2.87 | 2.83 | 2.83 | 2.84 |
| Severn Trent | 7.85 | 7.72 | 7.72 | 7.81 |
| Shell Transp R | 11.98 | 11.81 | 11.88 | 11.95 |
| Siebe | 9.52 | 9.37 | 9.37 | 9.50 |
| Smith Nephew | 1.75 | 1.72 | 1.75 | 1.74 |
| SmithKline | 10.68 | 10.50 | 10.59 | 10.74 |
| Smiths Ind | 7.65 | 7.57 | 7.57 | 7.62 |
| Sthern Elec | 4.11 | 3.95 | 4 | 3.99 |
| Stagecoach | 6.90 | 6.72 | 6.81 | 6.78 |
| Stand Charter | 9.45 | 9.17 | 9.28 | 9.40 |
| Tate & Lyle | 4.55 | 4.48 | 4.48 | 4.50 |
| Tesco | 3.66 | 3.43 | 3.63 | 3.64 |
| Thames Water | 6.87 | 6.75 | 6.77 | 6.90 |
| 3i Group | 5.12 | 5 | 5.05 | 5 |
| TI Group | 5.62 | 5.51 | 5.51 | 5.60 |
| Tomkins | 2.65 | 2.60 | 2.61 | 2.63 |
| Unilever | 16.20 | 15.92 | 16.09 | 16.13 |
| Utd Assurance | 4.77 | 4.68 | 4.68 | 4.73 |
| Utd News | 7.82 | 7.71 | 7.80 | 7.72 |
| Utd Utilities | 6.95 | 6.77 | 6.85 | 6.95 |
| Vendome Lx uts | 4.47 | 4.40 | 4.45 | 4.47 |
| Vodafone | 2.84 | 2.67 | 2.82 | 2.72 |
| Whitbread | 7.83 | 7.67 | 7.67 | 7.82 |
| Williams Hdgs | 3.15 | 3.11 | 3.11 | 3.13 |
| Wolseley | 4.71 | 4.63 | 4.65 | 4.66 |
| WPP Group | 2.51 | 2.45 | 2.45 | 2.48 |
| Zeneca | 18.55 | 18.17 | 18.50 | 18.18 |

## Madrid

Bolsa index: 557.47 — Previous: 556.67

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Acerinox | 26300 | 25500 | 26280 | 25500 |
| ACESA | 1830 | 1775 | 1780 | 1800 |
| Aguas Barcelon | 5830 | 5770 | 5810 | 5830 |
| Argentaria | 7550 | 7400 | 7540 | 7500 |
| BBV | 10650 | 10500 | 10630 | 10540 |
| Banesto | 1525 | 1495 | 1510 | 1495 |
| Bankinter | 24480 | 24010 | 24390 | 24300 |
| Bco Centro Hisp | 4770 | 4670 | 4745 | 4675 |
| Bco Popular | 31840 | 30960 | 31200 | 31450 |
| Bco Santander | 13000 | 12810 | 12840 | 12850 |
| CEPSA | 5300 | 5150 | 5260 | 5100 |
| Continente | 2790 | 2720 | 2770 | 2710 |
| Corp Mapfre | 7690 | 7380 | 7450 | 7580 |
| Endesa | 11360 | 11220 | 11260 | 11290 |
| FECSA | 1300 | 1280 | 1295 | 1295 |
| Gas Natural | 29000 | 28210 | 28900 | 28900 |
| Iberdrola | 1770 | 1725 | 1740 | 1740 |
| Pryca | 2730 | 2600 | 2630 | 2700 |
| Repsol | 6200 | 6110 | 6200 | 6190 |
| Sevillana Elec | 1410 | 1380 | 1395 | 1395 |
| Tabacalera | 7430 | 7110 | 7200 | 7400 |
| Telefonica | 4255 | 4195 | 4215 | 4215 |
| Union Fenosa | 1290 | 1275 | 1285 | 1285 |
| Valenc Cement | 2070 | 2050 | 2070 | 2060 |

## Manila

PSE index: 2796.11 — Previous: 2802.78

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Ayala B | 19.75 | 19.50 | 19.75 | 19.75 |
| Ayala Land | 21.50 | 21.25 | 21.50 | 21 |
| Bk Philip Isl | 158 | 155 | 157 | 158 |
| C&P Homes | 10.25 | 10 | 10 | 10 |
| Manila Elec A | 92.50 | 91.50 | 92 | 92.50 |
| Metro Bank | 570 | 550 | 555 | 575 |
| Petron | 7.20 | 7.10 | 7.10 | 7.20 |
| PCIBank | 265 | 260 | 265 | 262.50 |
| Phil Long Dist | 795 | 780 | 795 | 795 |
| San Miguel B | 78.50 | 77.50 | 78 | 78.50 |
| SM Prime Hdg | 7.70 | 7.50 | 7.60 | 7.70 |

## Mexico

Bolsa index: 4109.68 — Previous: 4060.86

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Alfa A | 49.00 | 48.05 | 48.55 | 48.10 |
| Banacci B | 18.70 | 17.96 | 18.70 | 18.06 |
| Cemex CPO | 31.25 | 30.90 | 31.20 | 30.70 |
| Cifra C | 12.92 | 12.72 | 12.74 | 12.72 |
| Emp Moderna | 39.50 | 39.35 | 39.40 | 39.40 |
| Gpo Carso A1 | 47.40 | 46.85 | 46.90 | 47.20 |
| Gpo F Bcomer | 1.76 | 1.74 | 1.75 | 1.73 |
| Gpo Fin Inburso | 28.00 | 27.90 | 28.00 | 27.80 |
| Kimb Clark Mex | 29.25 | 27.40 | 29.00 | 27.50 |
| Televisa CPO | 118.20 | 116.40 | 118.00 | 116.40 |
| TelMex L | 18.62 | 18.10 | 18.58 | 17.98 |

## Milan

MIB Telematico: 12260.00 — Previous: 12238.00

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Alleanza Assic | 11110 | 10900 | 10960 | 10905 |
| Bca Comm Ital | 3395 | 3330 | 3360 | 3305 |
| Bca Fideuram | 4550 | 4385 | 4385 | 4450 |
| Bca di Roma | 1208 | 1186 | 1186 | 1204 |
| Benetton | 23600 | 23250 | 23400 | 23750 |
| Credito Italiano | 2570 | 2540 | 2555 | 2555 |
| Edison | 7930 | 7730 | 7800 | 7920 |
| ENI | 8735 | 8620 | 8640 | 8650 |
| Fiat | 5740 | 5670 | 5710 | 5710 |
| Generali Assic | 29150 | 28800 | 28950 | 28950 |
| IMI | 15085 | 14855 | 14965 | 14820 |
| INA | 2400 | 2380 | 2380 | 2385 |
| Italgas | 5310 | 5160 | 5160 | 5295 |
| Mediaset | 7380 | 7290 | 7300 | 7290 |
| Mediobanca | 9910 | 9710 | 9850 | 9780 |
| Montedison | 1062 | 1057 | 1060 | 1057 |
| Olivetti | 490 | 480 | 480 | 483 |
| Parmalat | 2475 | 2450 | 2460 | 2445 |
| Pirelli | 3835 | 3780 | 3825 | 3825 |
| RAS | 13385 | 13170 | 13170 | 13170 |
| Rolo Banca | 18300 | 18000 | 18245 | 17750 |
| S Paolo Torino | 11015 | 10880 | 10940 | 10955 |
| Stet | 8640 | 8585 | 8615 | 8600 |
| Telecom Italia | 4685 | 4660 | 4670 | 4655 |
| TIM | 5185 | 5100 | 5140 | 5105 |

## Montreal

Industrials index: 3290.99 — Previous: 3244.92

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Bce Mob Com | 43 | 43 | 43 | 43.20 |
| Cdn Tire A | 25¾ | 25⅛ | 25¼ | 26.20 |
| Cdn Util A | 35.30 | 35.05 | 35.20 | 35.40 |
| CT Finl Svc | 36.25 | 36 | 36 | 35.85 |
| Gaz Metro | 17¾ | 17½ | 17¾ | 17.65 |
| Gt-West Lifeco | 29½ | 29 | 29½ | 28¾ |
| Imasco | 39.70 | 39.40 | 39.55 | 39.55 |
| Investors Grp | 28.70 | 28¼ | 28¼ | 28.35 |
| Loblaw Cos | 19.40 | 19¼ | 19.30 | 19.35 |
| Natl Bk Canada | 16.60 | 16.35 | 16.55 | 16.35 |
| Power Corp | 32¼ | 32¼ | 32½ | 32½ |
| Power Finl | 31 | 30½ | 30.80 | 30.45 |
| Quebecor B | 26.30 | 26 | 26.10 | 25.90 |
| Rogers Comm B | 7¾ | 7¾ | 7¾ | 7.90 |
| Royal Bk Cda | 60½ | 59.95 | 60.30 | 60 |

## Oslo

OBX index: 641.31 — Previous: 643.37

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Aker A | 138 | 136.50 | 136 | 136 |
| Bergesen Dy A | 172 | 168.50 | 169 | 171.50 |
| Christiania Bk | 24.80 | 24.60 | 24.80 | 24.80 |
| Den norske Bk | 28.50 | 28.30 | 28.50 | 28.30 |
| Elkem | 140.50 | 139 | 139 | 140 |
| Hafslund A | 44.50 | 44 | 44.50 | 44.50 |
| Kvaerner Asa | 411 | 406 | 408 | 409.50 |
| Norsk Hydro | 366 | 363 | 366 | 365 |
| Norske Skog A | 256 | 252 | 252 | 255 |
| Nycomed A | 105 | 102 | 103 | 101 |
| Orkla Asa A | 626 | 609 | 613 | 624 |
| Petro GeoSvc | 319 | 315 | 316 | 312 |
| Saga Petlm A | 145.50 | 143 | 143.50 | 146.50 |
| Schibsted | 145 | 139 | 140 | 139 |
| Transocean Off | 517 | 517 | 517 | 505 |
| Storebrand Asa | 46.80 | 45.50 | 46.40 | 46.80 |

## Paris

CAC-40: 2635.37 — Previous: 2624.49

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Accor | 868 | 836 | 839 | 849 |
| AGF | 172.40 | 167.90 | 168.90 | 171 |
| Air Liquide | 927 | 903 | 927 | 910 |
| Alcatel Alsth | 636 | 612 | 619 | 630 |
| Axa-UAP | 345 | 340.20 | 340.80 | 344.30 |
| Bancaire | 677 | 662 | 675 | 671 |
| BIC | 918 | 891 | 907 | 886 |
| BNP | 235 | 225.90 | 227 | 230.70 |
| Canal Plus | 1033 | 993 | 1024 | 997 |
| Carrefour | 3909 | 3855 | 3880 | 3910 |
| Casino | 272.50 | 270.20 | 272.50 | 272 |
| CCF | 240.50 | 235 | 237.50 | 234.80 |
| Cetelem | 675 | 645 | 655 | 650 |
| Christian Dior | 909 | 890 | 899 | 898 |
| CLF-Dexia Fran | 558 | 549 | 556 | 553 |
| Credit Agricole | 1255 | 1255 | 1255 | 1275 |
| Danone | 918 | 903 | 911 | 901 |
| Elf-Aquitaine | 642 | 621 | 630 | 619 |
| Eridania BS | 870 | 846 | 853 | 857 |
| Eurodisney | 9 | 8.90 | 8.90 | 9 |
| Eurotunnel | 4.25 | 6.10 | 6.10 | 6.10 |
| Gen. Eaux | 711 | 688 | 703 | 694 |
| Havas | 399.80 | 388.90 | 394.60 | 389.90 |
| Imetal | 784 | 765 | 780 | 755 |
| Lafarge | 367.80 | 357 | 365.70 | 358 |
| Legrand | 1020 | 980 | 1010 | 995 |
| L'Oreal | 2225 | 2168 | 2196 | 2181 |
| LVMH | 1456 | 1431 | 1450 | 1440 |
| Lyon. Eaux | 560 | 549 | 556 | 553 |
| Michelin B | 329.50 | 317 | 327.30 | 319.40 |
| Paribas A | 361 | 354.20 | 357.50 | 356.60 |
| Pernod Ricard | 293 | 285.40 | 285.40 | 290 |
| Peugeot Cit | 562 | 546 | 557 | 565 |
| Pinault-Print | 2485 | 2420 | 2420 | 2470 |
| Promodes | 2064 | 2010 | 2015 | 2067 |
| Renault | 135 | 129.10 | 133.40 | 129.20 |
| Rexel | 1609 | 1561 | 1606 | 1560 |
| Rh-Poulenc A | 204 | 187.50 | 199.80 | 189.60 |
| Sanofi | 518 | 497.50 | 516 | 499.30 |
| Schneider | 299.90 | 295.10 | 297.60 | 298 |
| SEB | 1122 | 1050 | 1092 | 1050 |
| SGS Thomson | 475.90 | 462 | 469 | 479.80 |
| Ste Generale | 595 | 582 | 590 | 596 |
| Sodexho | 2840 | 2725 | 2772 | 2690 |
| St Gobain | 801 | 784 | 798 | 792 |
| Suez | 291 | 286.20 | 289.80 | 287.20 |
| Synthelabo | 696 | 685 | 690 | 684 |
| Thomson CSF | 158 | 153.30 | 153.30 | 156 |
| Total B | 545 | 528 | 528 | 535 |
| Usinor | 92 | 86.50 | 90 | 86 |
| Valeo | 360 | 340.30 | 347 | 345.20 |

## São Paulo

Bovespa index: 11074.40 — Previous: 11110.40

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Bradesco Pfd | 8.60 | 8.20 | 8.30 | 8.40 |
| Brahma Pfd | 778.00 | 773.00 | 778.00 | 775.00 |
| Cemig Pfd | 55.00 | 51.60 | 53.90 | 52.50 |
| CESP Pfd | 61.00 | 59.99 | 60.40 | 59.00 |
| Copel | 15.99 | 15.90 | 15.90 | 15.90 |
| Eletrobras | 500.00 | 491.00 | 494.00 | 496.00 |
| Itaubanco Pfd | 550.00 | 510.00 | 512.00 | 555.00 |
| Light Servicios | 527.00 | 515.00 | 515.00 | 526.90 |
| Lightpar | 353.02 | 352.00 | 352.98 | 356.97 |
| Petrobras Pfd | 250.00 | 245.00 | 245.01 | 247.00 |
| Paulista Luz | 155.00 | 153.40 | 153.90 | 154.00 |
| Sid Nacional | 35.01 | 34.40 | 34.90 | 34.50 |
| Souza Cruz | 10.10 | 10.10 | 10.10 | 10.21 |
| Telebras Pfd | 146.00 | 142.50 | 143.90 | 144.40 |
| Telemig | 175.00 | 169.50 | 175.00 | 172.00 |
| Telerj | 171.00 | 165.00 | 168.00 | 173.00 |
| Telesp Pfd | 350.00 | 337.00 | 344.00 | 345.00 |
| Unibanco | 35.80 | 35.50 | 35.60 | 36.00 |
| Usiminas Pfd | 1.13 | 1.11 | 1.12 | 1.12 |
| CVRD Pfd | 23.10 | 22.80 | 23.00 | 23.20 |

## Seoul

Composite index: 763.25 — Previous: 766.06

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Dacom | 98500 | 96500 | 96900 | 98500 |
| Daewoo Heavy | 8510 | 7800 | 8050 | 7880 |
| Hyundai Eng. | 22200 | 20800 | 21700 | 22000 |
| Kia Motors | 16000 | 15800 | 15900 | 16000 |
| Korea El Pwr | 30500 | 28400 | 29400 | 28600 |
| Korea Exch Bk | 6700 | 6200 | 6350 | 6600 |
| Korea Mob Tel | 405000 | 395000 | 400000 | 400000 |
| LG Semicon | 37800 | 36500 | 37300 | 37000 |
| Pohang Iron St | 59000 | 57200 | 57700 | 57700 |
| Samsung Display | 48000 | 45700 | 45900 | 45800 |
| Samsung Elec | 67000 | 65000 | 67000 | 65800 |
| Shinhan Bank | 11600 | 11200 | 11300 | 11300 |

## Singapore

Straits Times: 2047.89 — Previous: 2051.22

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Asia Pac Brew | 6.40 | 6.40 | 6.40 | 6.40 |
| Cerebos Pac | 8.30 | 8.15 | 8.15 | 8.20 |
| City Devts | 13.70 | 13.30 | 13.70 | 13.40 |
| Cycle Carriage | 14.50 | 14.40 | 14.40 | 14.40 |
| Dairy Farm Int * | 0.74 | 0.71 | 0.73 | 0.73 |
| DBS foreign | 18.80 | 18.60 | 18.60 | 18.90 |
| DBS Land | 4.94 | 4.74 | 4.76 | 5 |
| Fraser & Neave | 11.30 | 11.20 | 11.30 | 11.30 |
| HK Land * | 2.70 | 2.55 | 2.60 | 2.55 |
| Jard Mathesn * | 7.05 | 6.80 | 7.05 | 6.80 |
| Jard Strategic * | 3.78 | 3.74 | 3.78 | 3.72 |
| Keppel | 6.40 | 6.30 | 6.40 | 6.35 |
| Keppel Bank | 3.80 | 3.74 | 3.80 | 3.80 |
| Keppel Fels | 4.80 | 4.76 | 4.78 | 4.76 |
| Keppel Land | 4.28 | 4.16 | 4.18 | 4.20 |
| OCBC foreign | 18.40 | 18.20 | 18.40 | 18.20 |
| OS Union Bk F | 10 | 9.85 | 9.85 | 9.85 |
| Parkway Hdgs | 7.10 | 6.85 | 6.90 | 7 |
| Sembawang | 7.20 | 7.10 | 7.10 | 7.25 |
| Sing Air foreign | 12.90 | 12.60 | 12.80 | 12.50 |
| Sing Land | 7.15 | 7.05 | 7.15 | 7.20 |
| Sing Press F | 29.30 | 28.90 | 29.20 | 28.60 |
| Sing Tech Ind | 4.10 | 4.02 | 4.06 | 4.08 |
| Sing Telecomm | 2.61 | 2.57 | 2.59 | 2.58 |
| Tat Lee Bank | 3.36 | 3.36 | 3.36 | 3.38 |
| Utd Industrial | 1.15 | 1.13 | 1.14 | 1.13 |
| Utd OSea Bk F | 15.60 | 15.20 | 15.50 | 15.50 |
| Wing Tai Hdgs | 4.22 | 4.20 | 4.22 | 4.26 |

*: in U.S. dollars.

## Stockholm

SX 16 index: 3062.79 — Previous: 3062.55

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| AGA B | 104.50 | 102.50 | 103 | 102.50 |
| ABB A | 108 | 106 | 107.50 | 107 |
| AssiDoman | 211 | 208 | 210 | 209.50 |
| Astra A | 131 | 129 | 130 | 130.50 |
| Atlas Copco A | 219 | 208 | 219 | 207 |
| Autoliv | 313 | 304 | 312 | 300.50 |
| Electrolux B | 459 | 456.50 | 457 | 456.50 |
| Ericsson B | 279 | 277 | 277.50 | 279 |
| Hennes B | 256 | 251.50 | 254 | 255 |
| Incentive A | 696 | 692 | 693 | 693 |
| Investor B | 389 | 385 | 385.50 | 387.50 |
| MoDo B | 241 | 236.50 | 240.50 | 238.50 |
| Nordbanken | 240 | 235 | 238 | 239 |
| Pharm/Upjohn | 273 | 268 | 268 | 271.50 |
| Sandvik B | 210 | 208 | 208 | 207 |
| Scania B | 222 | 219 | 220 | 221.50 |
| SCA B | 169 | 164 | 165 | 167.50 |
| S-E Banken A | 83.50 | 81.50 | 82 | 83.50 |
| Skandia Fors | 280 | 268 | 277 | 268 |
| Skanska B | 319 | 317.50 | 318.50 | 317.50 |
| SKF B | 177.50 | 175.50 | 177 | 175 |
| Sparbanken A | 154.50 | 151.50 | 154.50 | 153 |
| Stadshypotek A | 190 | 190 | 190 | 190 |
| Stora A | 115.50 | 114.50 | 114.50 | 115 |
| Sv Handles A | 219 | 214.50 | 219 | 215.50 |
| Volvo B | 218.50 | 215 | 215.50 | 215.50 |

## Sydney

All Ordinaries: 2615.90 — Previous: 2613.40

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Amcor | 8.68 | 8.54 | 8.56 | 8.65 |
| ANZ Bkng | 8.94 | 8.85 | 8.88 | 9.12 |
| BHP | 19.02 | 18.86 | 18.97 | 18.87 |
| Boral | 4.11 | 4.02 | 4.08 | 4.12 |
| Brambles Ind. | 23.68 | 23.43 | 23.43 | 23.60 |
| CBA | 14.45 | 14 | 14.27 | 13.96 |
| CC Amatil | 16.10 | 15.40 | 16.10 | 15.40 |
| Coles Myer | 6.23 | 6.11 | 6.22 | 6.16 |
| Comalco | 7.39 | 7.30 | 7.32 | 7.39 |
| CRA | N.T. | N.T. | N.T. | 21.12 |
| CSR | 4.83 | 4.77 | 4.83 | 4.82 |
| Fosters Brew | 2.65 | 2.62 | 2.63 | 2.64 |
| Goodman Fld | 1.78 | 1.74 | 1.78 | 1.74 |
| ICI Australia | 12.15 | 12.12 | 12.15 | 12.14 |
| Land Lease | 26.75 | 26.44 | 26.55 | 26.40 |
| MIM Hdgs | 1.93 | 1.86 | 1.86 | 1.92 |
| Nat Aust Bank | 19.02 | 18.89 | 18.95 | 18.90 |
| Nat Mutual Hdg | 1.93 | 1.89 | 1.92 | 1.90 |
| News Corp | 5.84 | 5.71 | 5.71 | 5.86 |
| Pacific Dunlop | 3.79 | 3.73 | 3.73 | 3.78 |
| Pioneer Intl | 4.56 | 4.50 | 4.55 | 4.55 |
| Pub Broadcast | 7.11 | 7 | 7.05 | 7.08 |
| St George Bank | 7.91 | 7.80 | 7.87 | 8.11 |
| WMC | 8.27 | 8.18 | 8.19 | 8.18 |
| Westpac Bkng | 6.99 | 6.92 | 6.95 | 6.92 |
| Woodside Pet | 11.01 | 10.93 | 10.96 | 10.95 |
| Woolworths | 3.99 | 3.94 | 3.97 | 3.95 |

## Taipei

Stock Market index: 8282.91 — Previous: 8255.78

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Cathay Life Ins | 147 | 145 | 145 | 146 |
| Chang Hwa Bk | 118.50 | 115.50 | 116 | 117 |
| Chiao Tung Bk | 68.50 | 67 | 67 | 68 |
| China Develpmt | 118.50 | 116 | 116 | 117 |
| China Steel | 30 | 29.50 | 29.40 | 29.80 |
| First Bank | 116.50 | 114.50 | 115 | 115 |
| Formosa Plastic | 74.50 | 72.50 | 73 | 73.50 |
| Hua Nan Bk | 116 | 113 | 113.50 | 114.50 |
| Intl Comm Bk | 67 | 65 | 65 | 66 |
| Nan Ya Plastics | 77.50 | 76 | 76 | 76.50 |
| Shin Kong Life | 91 | 89 | 89 | 90 |
| Taiwan Semi | 129 | 124 | 128.50 | 124.50 |
| Tatung | 56.50 | 55.50 | 55.50 | 56 |
| Utd Micro Elec | 82 | 78 | 82 | 78.50 |
| Utd World Chin | 67.50 | 67 | 67 | 67 |

## Tokyo

Nikkei 225: 20611.56 — Previous: 20563.16

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Ajinomoto | 1250 | 1230 | 1240 | 1230 |
| All Nippon Air | 768 | 758 | 764 | 755 |
| Amway | 4410 | 4380 | 4400 | 4360 |
| Asahi Bank | 780 | 771 | 777 | 778 |
| Asahi Chem | 693 | 685 | 690 | 676 |
| Asahi Glass | 1160 | 1150 | 1160 | 1160 |
| Bk Tokyo Mitsu | 2050 | 2010 | 2030 | 2050 |
| Bk Yokohama | 608 | 605 | 606 | 607 |
| Bridgestone | 2740 | 2700 | 2710 | 2700 |
| Canon | 3030 | 2990 | 3020 | 3000 |
| Chubu Elec | 2100 | 2080 | 2090 | 2090 |
| Chugoku Elec | 2060 | 2050 | 2060 | 2050 |
| Dai Nipp Print | 2430 | 2380 | 2390 | 2440 |
| Daiei | 792 | 770 | 792 | 770 |
| Dai-Ichi Kang | 1360 | 1310 | 1350 | 1350 |
| Daiwa Bank | 460 | 450 | 460 | 462 |
| Daiwa House | 1390 | 1380 | 1390 | 1400 |
| Daiwa Sec | 914 | 901 | 901 | 900 |
| DDI | 9080a | 8840a | 9080a | 8860a |
| Denso | 2960 | 2900 | 2910 | 2960 |
| East Japan Ry | 5790a | 5720a | 5750a | 5720a |
| Eisai | 2320 | 2290 | 2300 | 2240 |
| Fanuc | 4250 | 4180 | 4200 | 4220 |
| Fuji Bank | 1550 | 1520 | 1540 | 1560 |
| Fuji Photo | 4810 | 4780 | 4790 | 4750 |
| Fujitsu | 1470 | 1460 | 1460 | 1470 |
| Hachijuni Bk | 1110 | 1100 | 1100 | 1100 |
| Hitachi | 1300 | 1260 | 1290 | 1270 |
| Honda Motor | 3600 | 3560 | 3580 | 3590 |
| IBJ | 1450 | 1430 | 1440 | 1450 |
| IHI | 450 | 438 | 442 | 445 |
| Itochu | 620 | 610 | 616 | 619 |
| Ito-Yokado | 6840 | 6750 | 6840 | 6720 |
| JAL | 506 | 501 | 501 | 500 |
| Japan Tobacco | 9040a | 8950a | 8960a | 9040a |
| Jusco | 4020 | 3910 | 3930 | 3870 |
| Kajima | 677 | 663 | 677 | 679 |
| Kansai Elec | 2280 | 2230 | 2270 | 2240 |
| Kao | 1600 | 1580 | 1590 | 1590 |
| Kawasaki Hvy | 522 | 515 | 520 | 511 |
| Kawa Steel | 360 | 348 | 356 | 354 |
| Kinki Nipp Ry | 702 | 700 | 701 | 702 |
| Kirin Brewery | 1200 | 1180 | 1180 | 1200 |
| Kobe Steel | 228 | 226 | 228 | 228 |
| Komatsu | 912 | 896 | 909 | 890 |
| Kubota | 573 | 560 | 569 | 565 |
| Kyocera | 9370 | 8670 | 9110 | 8510 |
| Kyushu Elec | 2060 | 2050 | 2060 | 2050 |
| LTCB | 386 | 380 | 381 | 386 |
| Marubeni | 510 | 501 | 506 | 504 |
| Marui | 2230 | 2190 | 2210 | 2170 |
| Matsu Comm | 3760 | 3690 | 3740 | 3710 |
| Matsu Elec Ind | 2260 | 2230 | 2260 | 2230 |
| Matsu Elec Wk | 1340 | 1320 | 1330 | 1320 |
| Mitsubishi | 1400 | 1380 | 1400 | 1370 |
| Mitsubishi Ch | 382 | 374 | 379 | 373 |
| Mitsubishi El | 698 | 672 | 687 | 680 |
| Mitsubishi Est | 1690 | 1670 | 1680 | 1670 |
| Mitsubishi Hvy | 862 | 852 | 852 | 852 |
| Mitsubishi Mat | 870 | 861 | 865 | 870 |
| Mitsubishi Tr | 1650 | 1620 | 1650 | 1650 |
| Mitsui | 1050 | 1030 | 1040 | 1020 |
| Mitsui Fudosn | 1540 | 1520 | 1540 | 1520 |
| Mitsui Trust | 890 | 863 | 887 | 910 |
| Murata Mfg | 4740 | 4650 | 4740 | 4700 |
| NEC | 1660 | 1640 | 1660 | 1650 |
| Nikon | 2120 | 2050 | 2070 | 2050 |
| Nikko Sec | 718 | 706 | 710 | 710 |
| Nintendo | 9630 | 9310 | 9500 | 9150 |
| Nipp Express | 950 | 920 | 940 | 912 |
| Nippon Oil | 617 | 601 | 604 | 600 |
| Nippon Steel | 353 | 348 | 353 | 347 |
| Nissan Motor | 815 | 802 | 805 | 800 |
| NKK | 251 | 247 | 247 | 250 |
| Nomura Sec | 1380 | 1360 | 1370 | 1370 |
| NTT | 1100b | 1080b | 1080b | 1070b |
| NTT Data | 4510b | 4420b | 4500b | 4410b |
| Oji Paper | 715 | 700 | 700 | 702 |
| Osaka Gas | 309 | 305 | 306 | 309 |
| Ricoh | 1550 | 1530 | 1550 | 1550 |
| Rohm | 12000 | 11800 | 11800 | 11900 |
| Sakura Bk | 731 | 718 | 723 | 730 |
| Sankyo | 3780 | 3730 | 3780 | 3740 |
| Sanwa Bank | 1490 | 1460 | 1490 | 1490 |
| Sanyo Elec | 505 | 499 | 502 | 499 |
| Secom | 8640 | 8250 | 8620 | 8320 |
| Seibu Rwy | 6100 | 6040 | 6100 | 6050 |
| Sekisui Chem | 1240 | 1230 | 1230 | 1240 |
| Sekisui House | 1200 | 1190 | 1200 | 1200 |
| Seven-Eleven | 8700 | 8460 | 8690 | 8470 |
| Sharp | 1570 | 1540 | 1560 | 1530 |
| Shikoku El Pwr | 1970 | 1950 | 1950 | 1960 |
| Shimizu | 704 | 695 | 700 | 702 |
| Shin-etsu Ch | 2960 | 2910 | 2950 | 2940 |
| Shiseido | 1760 | 1730 | 1750 | 1720 |
| Shizuoka Bk | 1170 | 1150 | 1170 | 1160 |
| Softbank | 7990 | 7860 | 7900 | 7960 |
| Sony | 10100 | 10000 | 10000 | 10100 |
| Sumitomo | 1060 | 1050 | 1060 | 1050 |
| Sumitomo Bk | 1670 | 1640 | 1670 | 1690 |
| Sumit Chem | 501 | 496 | 500 | 499 |
| Sumitomo Elec | 1850 | 1830 | 1850 | 1850 |
| Sumit Metal | 318 | 313 | 317 | 316 |
| Sumit Trust | 1090 | 1070 | 1070 | 1070 |
| Taisho Pharm | 3080 | 3020 | 3020 | 3060 |
| Takeda Chem | 3060 | 3020 | 3060 | 3020 |
| TDK | 9150 | 8860 | 8990 | 9050 |
| Tohoku El Pwr | 2040 | 2020 | 2040 | 2030 |
| Tokai Bank | 990 | 979 | 986 | 990 |
| Tokio Marine | 1430 | 1420 | 1420 | 1430 |
| Tokyo El Pwr | 2290 | 2270 | 2280 | 2280 |
| Tokyo Electron | 6030 | 5610 | 5820 | 5710 |
| Tokyo Gas | 315 | 313 | 314 | 313 |
| Tokyu Corp. | 708 | 691 | 702 | 689 |
| Tonen | 1460 | 1420 | 1460 | 1460 |
| Toppan Print | 1720 | 1680 | 1680 | 1650 |
| Toray Ind | 797 | 791 | 796 | 799 |
| Toshiba | 736 | 725 | 729 | 727 |
| Tostem | 3150 | 3130 | 3140 | 3150 |
| Toyo Trust | 819 | 812 | 819 | 809 |
| Toyota Motor | 3480 | 3440 | 3460 | 3430 |
| Yamanouchi | 3000 | 2970 | 2980 | 2970 |

a: x 100; b: x 1,000

## Toronto

TSE Industrials: 6425.33 — Previous: 6432.72

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Abitibi Cons. | 25.05 | 24.85 | 24.90 | 25.05 |
| Alberta Energy | 33¾ | 33.45 | 32.45 | 33.55 |
| Alcan Alum | 50 | 49.40 | 49.45 | 50 |
| Anderson Expl | 18.40 | 17.90 | 17.90 | 18¼ |
| Bk Montreal | 53¾ | 53¼ | 53.65 | 53.45 |
| Bk Nova Scotia | 58¾ | 58¼ | 58.65 | 58.40 |
| Barrick Gold | 33½ | 32.80 | 32.95 | 33.55 |
| BCE | 38.70 | 37.85 | 38.45 | 38 |
| BC Telecomm | 31.85 | 31.45 | 31.80 | 31¼ |
| Biochem Pharm | 33 | 32½ | 32½ | 34 |
| Bombardier B | 29.70 | 29.05 | 29.70 | 29 |
| Brascan A | 34.80 | 34.60 | 34.80 | 34.70 |
| Cameco | 53.80 | 53.10 | 53.40 | 53½ |
| CIBC | 33.95 | 33¼ | 33.85 | 33.90 |
| Cdn Natl Rail | 58.10 | 57.90 | 58.10 | 58 |
| Cdn Nat Res | 35¾ | 35.30 | 35.40 | 35¾ |
| Cdn Occid Pet | 31.70 | 31¼ | 31.40 | 31.65 |
| Cdn Pacific | 37.45 | 36.70 | 36.90 | 37¼ |
| Cominco | 38.85 | 38.60 | 38.65 | 38.90 |
| Dofasco | 26.65 | 26½ | 26.55 | 26.55 |
| Domtar | 11.60 | 11.30 | 11½ | 11.30 |
| Donohue A | 30¼ | 29.80 | 30 | 30½ |
| Du Pont Cda A | 32.95 | 32¼ | 32.95 | 33 |
| Edper Group | 23.80 | 23.70 | 23.80 | 23.70 |
| EuroNev Mng | 41.20 | 40.65 | 41 | 41½ |
| Fairfax Finl | 339 | 335 | 339 | 339 |
| Falconbridge | 30.15 | 29¾ | 29.80 | 30.05 |
| Fletcher Chall A | 23.85 | 23.65 | 23.65 | •23½ |
| Franco Nevada | 73 | 72.10 | 72.95 | 72¾ |
| Gulf Cda Res | 12.35 | 12¼ | 12.30 | 12.35 |
| Imperial Oil | 69.10 | 68¾ | 68.90 | 69 |
| Inco | 44.80 | 44.10 | 44.15 | 44.65 |
| IPL Energy | 43.20 | 42¾ | 43.15 | 43¾ |
| Laidlaw B | 18.80 | 18.70 | 18¾ | 18.70 |
| Loewen Group | 47.95 | 47.40 | 47.95 | 47¾ |
| Macmill Bld | 20.40 | 20 | 20.10 | 20.35 |
| Magna Intl A | 73.80 | 73½ | 73.80 | 73.65 |
| Methanex | 12.90 | 12.70 | 12¾ | 12¾ |
| Moore | 30.85 | 30.40 | 30.45 | 30.90 |
| Newbridge Net | 55.95 | 53.10 | 55.60 | 55.10 |
| Noranda Inc | 30.65 | 30.15 | 30.45 | 30.65 |
| Norcen Energy | 33.40 | 33.15 | 33.35 | 33.45 |
| Nthern Telecom | 120 | 117 | 119.80 | 117.70 |
| Nova | 11.65 | 11.55 | 11.65 | 11.65 |
| Onex | 26¼ | 26¼ | 26¼ | 26¼ |
| Pancan Petlm | 30 | 29½ | 29.90 | 29½ |
| Petro Cda | 24.15 | 23.60 | 23.85 | 23.80 |
| Placer Dome | 23.65 | 23.20 | 23.40 | 23.60 |
| Poco Petlm | 14.85 | 14.70 | 14¾ | 14.60 |
| Potash Sask | 112.95 | 112.10 | 112.10 | 113 |
| Renaissance | 42.55 | 41.90 | 42.15 | 42¾ |
| Rio Algom | 36.30 | 36 | 36.30 | 36.35 |
| Rogers Cantel B | 25½ | 24¾ | 24¾ | 25 |
| Seagram Co | 57¾ | 56.20 | 57.20 | 56.20 |
| Shell Cda A | 58 | 56.90 | 58 | 56.90 |
| Suncor | 36 | 34½ | 35.55 | 34¾ |
| Talisman Eny | 46.05 | 45.35 | 45¾ | 46.05 |
| Teck B | 30.80 | 30½ | 30½ | 30.85 |
| Teleglobe | 43½ | 42¾ | 43½ | 42.60 |
| Telus | 24.55 | 24.40 | 24½ | 24½ |
| Thomson | 32.30 | 31.55 | 31.85 | 32.30 |
| TorDom Bank | 42.65 | 42.05 | 42.55 | 42.40 |
| Transalta | 15.95 | 15.70 | 15.95 | 15.85 |
| TransCda Pipe | 27.70 | 27.35 | 27¾ | 27.40 |
| Trimark Finl | 54¾ | 54 | 54.55 | 54½ |
| Trizec Hahn | 30 | 29.85 | 30 | 30 |
| TVX Gold | 8.45 | 8¼ | 8.30 | 8.35 |
| Westcoast Eny | 25.15 | 25 | 25.10 | 25.35 |
| Weston | 91 | 89 | 90½ | 91½ |

## Vienna

ATX index: 1304.17 — Previous: 1298.82

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Boehler-Uddeh | 969 | 940 | 960.10 | 946 |
| Creditanst Pfd | 493 | 489.50 | 491.80 | 490.10 |
| EA-Generali | 3048 | 3000 | 3040 | 3048 |
| EVN | 1737.15 | 1712.45 | 1718.60 | 1712.45 |
| Flughafen Wien | 523.80 | 513 | 520 | 518.50 |
| OMV | 1590 | 1575.65 | 1585 | 1583 |
| Oest Elektriz | 887.80 | 866.10 | 883 | 869 |
| VA Stahl | 553.80 | 549.30 | 553 | 551 |
| VA Tech | 2130 | 2109.55 | 2123 | 2119.50 |
| Wienerberg Bau | 2514.95 | 2446 | 2500 | 2476 |

## Wellington

NZSE-40 index: 2357.02 — Previous: 2349.43

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Air N Zeald B | 4.25 | 4.23 | 4.25 | 4.27 |
| Brierly Invt | 1.35 | 1.34 | 1.35 | 1.34 |
| Carter Holt ord | 3.52 | 3.48 | 3.52 | 3.48 |
| Fletch Ch Bldg | 4.07 | 4.05 | 4.05 | 4.06 |
| Fletch Ch Eny | 4.60 | 4.38 | 4.38 | 4.85 |
| Fletch Ch Forst | 1.96 | 1.93 | 1.96 | 1.93 |
| Fletch Ch Paper | 3.45 | 3.36 | 3.42 | 3.36 |
| Lion Nathan | 3.72 | 3.65 | 3.70 | 3.63 |
| Telecom NZ | 7.02 | 6.95 | 7.01 | 6.95 |
| Wilson Horton | 11.80 | 11.70 | 11.80 | 11.70 |

## Zurich

SPI index: 3313.71 — Previous: 3291.37

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| ABB B | 2037 | 2020 | 2029 | 2015 |
| Adecco B | 522 | 512 | 521 | 529 |
| Alusuisse R | 1414 | 1389 | 1396 | 1390 |
| Ares-Serono B | 2145 | 2020 | 2120 | 2010 |
| Alel R | 875 | 875 | 875 | 880 |
| Baer Hdg B | 1978 | 1971 | 1974 | 1970 |
| Baloise Hdg R | 3245 | 3155 | 3245 | 3145 |
| BK Vision | 1110 | 1104 | 1110 | 1100 |
| Ciba Spec Chem | 136.75 | 134.50 | 134.75 | 133.25 |
| Clariant R | 909 | 887 | 909 | 905 |
| Crd Suisse Gp R | 193.50 | 186 | 193.25 | 186.25 |
| Elektrowatt B | 541 | 540 | 541 | 540 |
| Ems-Chemie | 6370 | 6300 | 6325 | 6320 |
| ESEC Hdg | 4700 | 4575 | 4630 | 4580 |
| Holderbank B | 1328 | 1298 | 1322 | 1299 |
| Liechtenst LB B | 486 | 486 | 486 | 486 |
| Nestle R | 1829 | 1807 | 1820 | 1809 |
| Novartis R | 2010 | 1983 | 1987 | 1988 |
| Oerlikn Buehl R | 166.50 | 163.50 | 165.50 | 165 |
| Pargesa Hld B | 1811 | 1804 | 1807 | 1811 |
| PharmVisn B | 823 | 800 | 819 | 800 |
| Richemont A | 2020 | 1980 | 2010 | 1960 |
| Pirelli PC | 243 | 240 | 243 | 239.75 |
| Roche Hdg PC | 13240 | 13070 | 13160 | 13035 |
| SBC R | 355 | 350 | 355 | 353 |
| Schindler PC | 1830 | 1815 | 1825 | 1820 |
| SGS B | 3350 | 3230 | 3250 | 3225 |
| SMH B | 885 | 862 | 870 | 865 |
| Sulzer R | 1190 | 1170 | 1190 | 1164 |
| Swiss Reins R | 1959 | 1945 | 1952 | 1949 |
| Swissair R | 1470 | 1452 | 1458 | 1470 |
| UBS B | 1601 | 1586 | 1591 | 1601 |
| Winterthur R | 1198 | 1176 | 1190 | 1186 |
| Zurich Assur R | 538 | 530 | 533 | 534 |

## The Trib Index

*Prices as of 3:00 P.M. New York time.*

| Jan. 1, 1992 = 100. | Level | Change | % change | year to date % change |
|---|---|---|---|---|
| World Index | 165.65 | -0.58 | –0.35 | +11.07 |
| **Regional Indexes** | | | | |
| Asia/Pacific | 125.03 | +0.22 | +0.18 | +1.30 |
| Europe | 172.56 | -0.19 | –0.11 | +7.05 |
| N. America | 191.25 | -1.65 | –0.86 | +18.12 |
| S. America | 155.64 | -1.17 | –0.75 | +36.01 |
| **Industrial Indexes** | | | | |
| Capital goods | 200.38 | -1.82 | –0.90 | +17.24 |
| Consumer goods | 186.01 | -0.79 | –0.42 | +15.23 |
| Energy | 196.68 | -0.60 | –0.30 | +15.21 |
| Finance | 123.66 | -0.15 | –0.12 | +6.18 |
| Miscellaneous | 168.79 | -0.44 | –0.26 | +4.33 |
| Raw Materials | 181.43 | -0.27 | –0.15 | +3.45 |
| Service | 157.73 | -0.14 | –0.09 | +14.86 |
| Utilities | 143.09 | -0.52 | –0.36 | –0.26 |

*The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.* *Compiled by Bloomberg News.*

# NASDAQ

## Wednesday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
*The Associated Press.*

# NYSE

## Wednesday's 4 P.M. Close

(Continued)

David Gray/Reuters

## Australian Growth Rate Slows

A Sydney futures trader gesturing on the trading floor Wednesday; the government said gross domestic product grew at 2.4 percent annually in the first quarter, the lowest rate in five years. The data raised hopes for an interest-rates cut, but the stock-market reaction was subdued. The All Ordinaries index rose 2.3 points, to 2,615.90. Many analysts said the GDP data were within expectations.

# *Indians Toast Prohibition's End*

## State Lifts Alcohol Ban Because It Cost Too Much

*Bloomberg News*

BOMBAY — It wanted to help fulfill Mahatma Gandhi's dream of an alcohol-free India, but the southern state of Andhra Pradesh just couldn't afford prohibition anymore. Last month, it lifted a two-year ban on alcoholic drinks so it could raise money by taxing them.

"The citadel of prohibition has fallen, and normal life has resumed," said L.N. Batra, secretary-general of the All India Distillers Association, an industry organization of 230 spirits makers.

Andhra Pradesh's decision to end prohibition means that Indian brewers and distillers, including United Breweries Ltd., McDowell & Co. and Shaw Wallace Ltd., will get a boost in sales from the state's drinkers. It also makes it less likely that other states will try to close their spigots.

Even with five of India's 26 states still prohibiting alcohol, India's $3 billion market for alcoholic beverages will probably grow more than 7 percent a year for the next five years, analysts say, as the drinking population is growing and India's burgeoning middle class is spending more money on higher-priced alcohol.

United Breweries, India's biggest beer and whiskey maker, says its earnings will return to normal this year as Andhra Pradesh's citizens — the populous state whose capital is Hyderabad used to account for one-fifth of India's alcohol consumption — start drinking again.

After United's earnings fell 45 percent in the year that ended in March, sales and profit should rise more than 10 percent this year, according to P. Krishnamurthy, president of group finance and corporate planning.

"This year," he said, "should be a lot better."

In volume terms, more than 80 percent of the market is taken up by potent "country liquors" that cost as little as 10 rupees, or 3 cents, a bottle. These murky drinks are made from rice, molasses and even cashew nuts, depending on the region, and can have as much as 80 percent alcohol content. In the state of Karnataka, the local liquor called "patta" is brewed with pieces of old tires to add an extra kick.

The local spirits are made by thousands of small companies and corner shops. The biggest companies are the ones making and selling Western alcoholic beverages.

Western alcohol, including beer, whiskey and rum, has grown to a $1.3 billion market in India, leading foreign companies such as Carlsberg AS, Anheuser-Busch Cos. and Whyte & McKay Ltd. to set up shop in hope of tapping a new market.

It is not an easy market to crack, so most companies have joined forces with local brewers. Each state has its own regulations and taxes on alcohol production and sales and may even charge "import" duties for alcohol brought in from other states.

Foreign makers say it is worth the trouble, though, because of the huge growth potential for Western alcoholic beverages. Expressed as a national average, Indians drink only two mugs of beer a year. That leaves lots of room for growth in comparison with the United States and Japan, where the average person downs more than 200 times that amount.

"Internationally, growth is going down, but in India that's not true," said Lalit Khaitan, managing director of Radico Khaitan Ltd., which makes rum and whiskey in Delhi. "People are going for better-quality products, so we feel that that market will increase."

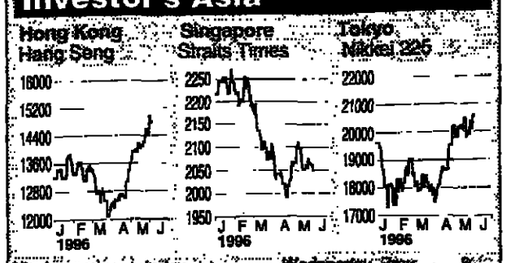
When India gained independence in 1947, Gandhi's home state of Gujarat was the first state to ban the production and consumption of alcohol. Many politicians still campaign on a prohibition platform, focusing on the problems of alcoholism in rural areas and deaths and injuries caused by country brews gone bad.

Mr. Batra of the Distillers Association said more than 3,000 people had been blinded or killed in the past five years by country liquor that was too strong. Half of the market is illegal and unregulated, he said.

But prohibition has had its victims as well. Inertia Industries had to end production of its popular Sandpiper beer last June when the northern state of Haryana went dry, closing its only brewery.

Going dry, though, is a hard decision for most states to swallow. Duties on alcohol make up as much as 23 percent of some states' revenues.

## Investor's Asia




| Exchange | Index | Wednesday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Hong Kong | Hang Seng | 14,331.59 | 14,760.17 | +0.46 |
| Singapore | Straits Times | 2,047.69 | 2,061.22 | -0.65 |
| Sydney | All Ordinaries | 2,615.90 | 2,615.60 | +0.00 |
| Tokyo | Nikkei 225 | 20,611.56 | 20,563.16 | +0.24 |
| Kuala Lumpur | Composite | 1,119.28 | 1,126.83 | -0.67 |
| Bangkok | SET | 552.87 | 556.57 | -0.66 |
| Seoul | Composite Index | 763.25 | 769.06 | -0.97 |
| Taipei | Stock Market Index | 6,267.91 | 6,255.76 | +0.33 |
| Manila | PSE | 2,796.71 | 2,802.78 | -0.24 |
| Jakarta | Composite Index | 593.54 | 597.40 | -0.70 |
| Wellington | NZSE-40 | 2,357.83 | 2,349.43 | +0.32 |
| Bombay | Sensitive Index | 3,861.42 | 3,838.85 | +0.59 |

Source: Telekurs — International Herald Tribune

## Very briefly:

• Two former **Nomura Securities Co.** managing directors, Nobutaka Fujikura and Shimpei Matsuki, were charged with violating the commercial code and securities laws in the alleged payoff of an extortionist. Osamu Fujita, another former executive, was released and is not expected to be charged.

• **SBC Warburg Securities Philippines Inc.** said its top analyst, Joey Salceda, had resigned after regulators started an investigation into charges that he had a secret trading account at **Sapphire Securities Inc.**, another brokerage.

• **Japan Air Lines Co.**'s debt rating was cut to A-2 from A-3 by Moody's Investors Service Inc., which said the carrier's high costs threatened its future.

• **Dai-Ichi Kangyo Bank Ltd.** said three of its money-management affiliates, **Asahi Investment Trust Management Corp., Kankaku Capital Management Co.** and **Dai-Ichi Kangyo Investment Management Corp.**, would merge Oct. 1 to form **Dai-Ichi Kangyo Asahi Asset Management Co.**, which will manage 2.40 trillion yen ($20.54 billion) of assets.

• **Beijing Yanhua Petrochemical Co.**, the largest Chinese maker of resins and plastics, plans an initial public offering valuing it at as much as $988 million. Most of the stock will be in the form of American depositary receipts representing so-called H shares, which trade in Hong Kong. *Bloomberg, AFP*

## Seoul Seeks More Transparency

*Bloomberg News*

SEOUL — The government plans to require conglomerates, or *chaebol*, to publish statements designed to give bankers and investors a clearer view of their overall finances, an official said Wednesday.

Current consolidated statements often do not clearly depict their situation because chaebol are linked by family, not company, ownership. "We need combined financial statements which show cross-investments among individuals, not companies," Kim Byung Hwan of the Finance Ministry said. The move comes in a difficult period for some chaebol. The Hanbo and Sammi groups have collapsed this year under massive debts, the Jinro and Dainong groups are negotiating bailouts, and Hanshin Construction Co. was declared bankrupt this week.

# Jakarta Issues 'Buy' Order on Car

*Compiled by Our Staff From Dispatches*

JAKARTA — The government has ordered all state-owned enterprises and public offices to buy cars from PT Timor Putra Nasional, which is partly owned by President Suharto's youngest son, the minister of national planning said Wednesday.

"It's been in effect since the middle of May," the planning minister, Ginandjar Kartasasmita, said of the requirement.

The minister of trade and industry, Tunky Ariwibowo, was quoted as saying the directive would bolster flagging sales of the Timor, known as the "national car" even though it is manufactured in South Korea.

"We have to support the program from all sides so the project can be finished as soon as possible," an Indonesian newspaper quoted Mr. Tunky as saying, "so don't be surprised if you see me driving one to work."

Mr. Tunky said he had sent a letter of notification to the National Development Planning Ministry, which oversees the purchasing plans of government institutions. He did not specify how many vehicles would have to be purchased. Timor Putra, which is controlled by the president's son Hutomo Mandala Putra, has been at the center of a trade dispute with American, Japanese and European competitors. The Timor is exempt from the import duties and taxes that add as much as 50 percent to the price of a car bought in Indonesia.

The World Trade Organization's Dispute Settlement Board is to consider a complaint against Indonesia over the national car policy next Thursday. But even with its tax advantages, the Timor has not sold as well as the government hoped. Since October, 12,000 Timor sedans have been imported from South Korea, where the car is manufactured by Kia Motors Corp., a joint venture partner with Timor Putra, well short of the company's sales target of 4,000 a month. Jakarta ordered 13 banks last month to lend $690 million to Timor Putra to help it complete its domestic production facilities in 1999. *(AP, AFP)*

# *H.K. Arrests 4 At Newspaper*

*Compiled by Our Staff From Dispatches*

HONG KONG — The Independent Commission Against Corruption said Wednesday it had arrested four employees of Hong Kong Standard Newspapers Ltd. and two former staff members in connection with what it called a plot to exaggerate circulation of the company's newspapers.

A source close to the investigation said one of those arrested was Sally Aw Sian, chairman of the parent company, Sing Tao Holdings Ltd.

The commission said the operation involved the regular printing of more than 10,000 extra copies of the newspapers. *(Reuters, AFP)*

## Amatil-San Miguel Deal Sweetened

*Bloomberg News*

MANILA — Coca-Cola Amatil Ltd. of Australia sweetened its offer to San Miguel Corp. on Wednesday to try to close their agreement to create the largest non-U.S. Coke bottler.

San Miguel now would be given four of 16 Amatil board seats, rather than three of 15 seats. San Miguel still will receive a 25 percent stake in Amatil in exchange for the soft-drink unit, a stock swap valued at $2.7 billion. The move came after a Philippine government agency that has a big stake in the Philippines' biggest beverage producer called for a renegotiation of the terms for selling Coca-Cola Bottlers Philippines Inc.

# Thai Rating Service to Downgrade Banks

*Compiled by Our Staff From Dispatches*

BANGKOK — Thailand's local credit-rating service said Wednesday that it would lower its ratings on all the country's banks and finance companies to reflect the beleaguered state of the Thai economy.

Vuthiphong Priebjrivat, president of Thai Rating & Information Services, said the downgrades reflected a squeeze on earnings and cash flow among lenders caused by loan defaults, particularly by property developers.

The downgradings may pull the debt ratings of at least two finance companies, Cathay Finance & Securities PCL and Thai Thamrong Finance PCL, below investment grade.

The U.S.-based rating agency Standard & Poor's Corp. said, meanwhile, that it had cut the long-term credit rating of Industrial Finance Corp. of Thailand to A-minus from A.

The company's stock fell, closing at 43 baht ($1.73), down 1, as Thailand's benchmark stock index fell 3.70 points, or 0.7 percent, to 552.87, its lowest level in more than six years.

For Thailand as a whole, the lowest economic growth rates in 11 years, tumbling property and stock prices and falling exports have put considerable financial stress on the economy. In April, Moody's Investors Service Inc. downgraded the country's long-term sovereign rating to A-2 from A-3, citing the government's plan to aid property and finance companies.

S&P has not altered its rating for Thai sovereign debt. But the decision to downgrade Industrial Finance Corp.'s, of Thailand's rating "may indicate a gradual change in opinion by S&P on the Thai sovereign rating," said Jason Brown, a fixed-income analyst at Bear Stearns Asia Ltd.

Separately, a top official said Bangkok would invite commercial banks to join a low-interest-mortgage program aimed at reviving the property sector after home buyers nearly exhausted a 17.5 billion baht fund in two days.

Thousands of home buyers rushed to take out loans, officials of the Government Housing Bank said, and Deputy Finance Minister Thawatwong Na Chiangmai said banks should help expand the fund to resuscitate the sagging property sector. *(Bloomberg, AFP)*

# RULES: *Exchanges Seek a Cut in Regulations*

Continued from Page 13

could be lost to consumers and businesses. Pricing at the service station and the grocery store, the prices plumbers and electricians pay for copper pipe and wire — all are profoundly affected by the price-setting mechanism of the exchanges."

She said that the regulatory freedom the futures markets sought would result in "grave dangers" not only for market participants but for the public at large, whose pension funds, bank deposits, insurance accounts and mutual funds would be put at risk.

The friction between the exchanges and their watchdogs at the commission is nearing a critical point.

Bills now before the House of Representatives and the Senate would eliminate most record-keeping and auditing requirements, speed approval of trading in new contracts, lift margin limits and create a "professional market" of largely unregulated big traders. The commission would be left with power to punish violators but few tools for detecting them.

Intense closed-door lobbying and negotiations about the bills have been under way for several weeks.

Exchange officials cite statistics showing that off-market trading in currencies, interest-rate swaps and Eurodollars has grown three to 10 times as rapidly as that on the exchanges.

Thomas Donovan, president of the Board of Trade, said trading volume in interest-rate futures on that exchange had fallen in the past two years while over-the-counter trading in interest-rate swaps, which are similar hedging products traded privately between two parties, were commanding a growing share of the corporate risk-management market.

The reasons are simple, Mr. Donovan said: the commission's "oppressive" rules and its "protectionist" mindset.

Ms. Born acknowledged that a large volume of derivatives trading had shifted from American exchanges to overseas markets, whose regulations were not as restrictive as those in the United States.

But as a result of recent problems, financial regulators in other countries are now looking at ways to strengthen their power.

In Britain, Gordon Brown, the new chancellor of the Exchequer, has said that securities self-regulation is insufficient to protect the public interest. He is proposing ways to enhance the government's ability to police markets.

Regulators in France, Germany, Japan, Hong Kong, Singapore and elsewhere are meeting regularly to draft global rules governing the nearly instantaneous trading of trillions of dollars in derivatives.

Industry officials counter that futures trading is inherently risky and that no regulatory regime can eliminate fraud or foolishness. Besides, they argue, most major problems have been uncovered by the affected institutions themselves, not by regulatory cops on the beat.

Wall Street, for once, has allied itself with the Chicago exchanges to try to ensure equal treatment of the complex financial products it designs for its clients' hedging needs.

Meanwhile, Alan Greenspan, chairman of the Federal Reserve Board, warned in a speech this year against "one-size-fits-all" financial-market regulation, a statement that was universally read as a call for looser scrutiny of derivatives trading among sophisticated investors.

"Migration of activity from government-regulated to privately regulated markets sends a signal to government regulators that many transactors believe the costs of regulation exceed the benefits," Mr. Greenspan said. But he cited a need for protection against fraud and market manipulation for retail customers.

# Burma Lists Britain as Its Top Investor

*The Associated Press*

RANGOON — Total foreign investment in Burma had risen to $6 billion by April of this year from $5.3 billion last December, the official Myanmar Investment Commission reported Wednesday.

Britain was the largest single source of investment, with about $1.3 million, followed by Singapore with $1.2 billion and Thailand with $1 billion. The United States moved from sixth place in December with $243 million to fourth in April with $542 million.

The figures were compiled before the United States imposed economic sanctions on Burma in May.

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# HUNGARY

***Hungary is seeing its efforts pay off. During a difficult economic transition, austerity helped the country get its finances in order, and the state transferred much of its control of the economy to the private sector. Foreign investors have poured $17 billion into Hungary over the last seven years, the banking sector has been modernized and the stock market rose 170 percent last year. Reaffirming its links to Western Europe, Hungary has prepared itself to join the European Union and NATO.***

***Photos: The Lanchid bridge in Budapest, and Vaci utca, the city's main pedestrian shopping street.***

HADLEY KINCAID

## YEAR ONE AS CENTRAL EUROPE'S NEW ROLE MODEL

*After a remarkable economic turnaround, Hungary is now seen as a leader rather than a laggard.*

All of Hungary's economic indicators have turned around dramatically over the past 12 months, with further, even larger improvements in the offing. But perhaps the largest change involving Hungary has not occurred in the country itself, but in the outside world.

A year ago, conventional wisdom saw the Hungarians as "the perpetual laggards" of the CEE (Central and Eastern European) region. Today, the three main components of the country's turnaround — rigorous privatization, bank consolidation and public sector austerity programs — are being eagerly adapted by other CEE countries for their own use.

Capital, some $17 billion of it over the last seven years, has flowed freely into the country. The inflow of capital, the highest among Europe's countries on a per capita basis, has been spent on acquiring one-third of the country's "legacy" economy — the mass of state-owned enterprises put up for privatization — plus roughly two-thirds of Hungary's banks and a growing portion of its energy suppliers, telecoms and other infrastructural corporations.

Accompanied by a large-scale transfer of managerial expertise by the companies providing it, the capital has also been invested in a vast range of large-scale greenfield projects, including such well-known examples as Audi's engine manufacturing plant in Gyor.

**Open door**

Goods, too, are flowing in and out of Hungary in ever-greater quantities. Growing faster than world trade by a margin of two-and-a-half to one, Hungary's exports increased by about 22 percent in 1995 and 12 percent in 1996, with imports rising by about half that amount.

In a highly gratifying development, the increase in exports has been particularly strong in such advanced industrial sectors as automobiles and computers. Perhaps the most interesting and important sign of how successful Hungary's industrial transformation has been is provided by the 19 percent jump in the value of engineering and other technical services supplied to customers outside the country.

The sweep of Hungary's open door policy has made it an exception in the CEE region, in which national governments have allowed thickets of policies and unofficial operating rules to brake investment by foreign corporations in the local banking, industrial, media and public service sectors.

In this regard, CEE countries are by no means exceptions in the world, points out Alarich Fenyves, a member of Creditanstalt's board of directors and head of the Vienna-based bank's international operations.

"In its scope, Hungary's privatization of its infrastructure grids is only comparable to that of Argentina. Hungary's opening up of its banking sector to international capital has no real match anywhere else in the world," says Mr. Fenyves.

**Privatization and austerity**

In 1994 and 1995, while its Visegrad Five counterparts (Czech Republic, Poland, Slovakia, Slovenia) were moving from strength to strength, Hungary was mired in the economic doldrums. The cost of financing the government's ballooning deficit was causing the country's large external debt load, itself a legacy of the Communist era, to rise to dangerous levels.

The privatization of its utilities, national telecoms company, major manufacturers and other blue chip assets brought the country a good amount of badly needed cash. To cut costs, the Hungarian government launched a sweeping austerity program centered on the trimming of social services and the raising of prices of public-supported items (principally food).

Remarkably, the austerity program, although highly unpopular, was not met by widespread strikes or social unrest, although it caused a sharp drop in the country's standard of living.

"There was — and is — a widespread commitment among Hungary's people to doing whatever it takes, to putting up with the short-term pain required, to work a lasting transformation," explains Szabolcs Fazakas, the country's minister of industry, trade and tourism.

The final economic figures for 1996 are out, and they are extremely good. Boosted by surge in exports and a near 30 percent rise in tourism-related revenues, in 1996 Hungary registered a 45 percent reduction in its current account deficit, which amounted to a respectable 3.5 percent of gross domestic product for the year. In 1994, the year before the government of Gyula Horn instituted its austerity program, the comparable figure was 8.4 percent.

The trimming of its public sector deficit to 3.3 percent of GDP (as opposed to 1994's 8.2 percent) helped Hungary reduce its net external debt from 1995's $18.9 billion to 1996's $12.6 billion. It also caused Hungary's debt service ratio (total federal-level debt as a percentage of GDP) to decline from 48.7 percent in 1994 to 31 percent today — about half the level set as a target by the Maastricht treaty for European Union countries to join EU monetary union.

*Continued on page 21*

## WHY HUNGARY SHOULD JOIN NATO

**On May 27, 1997, Javier Solana, secretary-general of the North Atlantic Treaty Organization, and Yevgeni Primakov, Russia's foreign minister, signed the "Founding Act." It establishes the ground rules of the relationship between the alliance and Russia — and apparently puts Hungary, Poland and the Czech Republic on a very fast track for NATO membership.**

**The admission of these "first wave" countries is expected to be finalized at NATO's next summit, to be held in Madrid on July 8 and 9.**

**For Hungary, the moment will represent the reward for seven years of concerted effort.**

**Formal relations between Hungary (then still nominally a member of the Warsaw act) and NATO were launched in late 1990. The country has been an active participant in the North Atlantic Cooperation Council (founded in 1991), the Partnership for Peace (1994) and other forums designed to promote closer political and defense ties between the members of the Atlantic alliance and the countries of Central and Eastern Europe.**

**Hungary has actively participated in military exercises staged under the auspices of NATO, the Partnership for Peace and various groupings of European countries. But perhaps the greatest recommendation for NATO membership came from Hungary's successful facilitation of the various peacekeeping efforts undertaken by NATO and its allies in Bosnia.**

**Laszlo Kovacs has been Hungary's minister of foreign affairs since July 1994. In the following interview, he discusses his country's preparations for joining the NATO and the European Union.**

*The agreement recently reached by NATO and Russia has apparently put Hungary and several other Central and Eastern European countries on a fast track for membership. Their joining will engender considerable costs for the present members. What benefits to NATO do you foresee arising from Hungary's membership?*

One comment about the costs. Crisis prevention is always cheaper than crisis management, as the recent experience with Bosnia shows. And NATO has repeatedly proven its

*Continued on page 21*

## FOREIGN INVESTMENT, CHAPTER TWO

**Szabolcs Fazakas has been Hungary's minister of industry, trade and tourism since November 1996. During his 17-year career at the country's trade ministry, Mr. Fazakas held a number of senior positions. In 1989-90, he was deputy minister of the government secretariat of international economic relations. From 1990 to 1995, he was the chief executive officer of Austrian Industry's subsidiary in Hungary. After a stint as state secretary at the Ministry of Industry and Trade (tourism was added to the ministry's name in 1996), Mr. Fazakas served as Hungary's ambassador to Germany.**

*Over the last few years, Hungary has undergone a painful and protracted restructuring process. During this time, your country has lagged behind several other Central and Eastern European countries, which have been achieving strong economic growth. Today, your country's economy is regarded as the region's up-and-comer. A number of the other CEE countries are facing the need to take Hungary-style restructuring measures. Do you feel vindicated?*

No, because "vindicated" implies a satisfaction at being proven correct, sooner or later. And since we never had any doubts as to the wisdom of the path taken, we're not reveling in any sense of belated satisfaction now.

We never had any doubt that our decision to make the fundamental changes in our economy in one fell swoop would lead to long-term growth, a growth capable of sustaining itself over decades, not just one or two years.

The progress now manifesting itself is in line with our projections.

Nor do we have any sense of self-satisfaction at the expense of neighboring countries. There's often a tendency by the world's press to stack us against each other, to anoint the region's "favorite of the year." But we're not in a beauty contest with each other.

The world's business community generally uses the CEE region as its unit of evaluation, meaning that the successes of the individual countries are the successes of the region, and vice versa.

One final point. Over the last few years, Hungary's economic ties to its CEE neighbors have been dramatically growing in size and scope. Any weakness shown by these ever-more important trading and investment partners isn't therefore any cause for self-satisfaction on Hungary's part, but rather a cause for concern.

*Szabolcs Fazakas, minister of industry, trade and tourism.*

*$17 billion in international capital has been invested in Hungary in the last seven years. Where is new investment in Hungary going now?*

Not surprisingly, we're experiencing a large amount of follow-up and secondary investment.

This takes several forms. Such greenfield investors as Audi have extended and expanded production facilities. Companies such as Procter & Gamble, which invested in existing facilities via a privatization buyout, are now going greenfield, adding on entire new facilities.

But perhaps the most interesting trend has been the arrival of the suppliers, the companies interlinked through supply networks with General Motors, Siemens, Daewoo, Suzuki, IBM and the world's other multinationals, four-fifths of which have already made major investments in Hungary.

Another interesting change is that the long-awaited spillover effect is now materializing.

Western Hungary and greater Budapest were the focuses of the first wave of investment, quite logically so. These two regions are easily accessible from the rest of western Central Europe, and they had been structured toward serving the West under the Communist regime.

*Are wage or price differentials or property prices causing the movement eastward?*

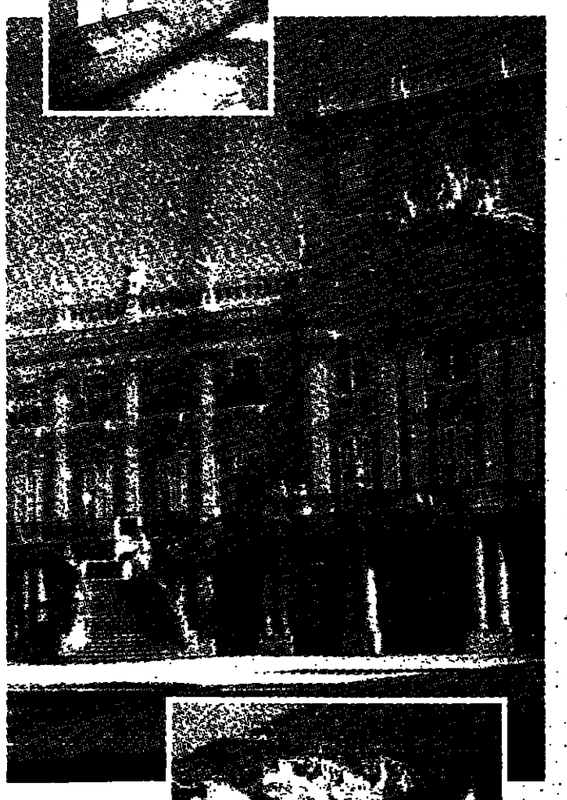
Not really. Wages are somewhat lower in the East; property prices are about the same. We have set up a range of tax breaks throughout the country; their amplitude is a bit greater in the East.

I think the real explanation stems from the high level of investor satisfaction with their initial investments in Hungary. It's emboldened them to take a searching look for further opportunities in other areas of the country. Our eastern stretches, which are in the midst of completing the restructuring of their large-sized industrial facilities, offer plenty of such opportunities.

**Interview by Terry Swartzberg**


*Open doors. Open hearts. Open minds. Hungary*

*Castles here are not haunted by ghosts*



*True, nobody has checked the figures, but Hungary is probably number one in the world as far as castles per capita are concerned. The lords of Hungary crowned almost every hill with a castle after the Mongol invasion of the 13th century. Nowadays, these romantic buildings and ruins are not haunted by ghosts. Culture and tourism are lording it over in most of them. In stately and commanding castles, you can listen to concerts of world-famous Hungarian orchestras and guest artists. Castles harbor museums, hotels, open-air theatres and equestrian festivals. But travellers may always come back to our present days and they will not be bored at all! They can choose between programs of cultural festivals, concerts, dance, ballet and folklore shows, theatres, museums and galleries.*

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# HUNGARY

## BILL WOULD PRIVATIZE PENSIONS

*The new system is expected to boost local participation in Hungary's capital markets.*

Hungary's Parliament is expected to pass a bill later this month that will reform the country's pension system in a way that will boost the nation's growing capital market and save the current system from bankruptcy. The legislation would make Hungary the first of the former Soviet satellites to reform its pension system and the second European nation after Switzerland to have a mandatory private system.

"This is the most important legislation of the year," says Tibor Parniczky, vice president of the Supervision of the Voluntary Mutual Benefits Funds, a government agency leading the reform. "The effects of this law will be felt for years to come."

The bill is expected to pass easily because Hungary's ruling coalition holds 72 percent of the Parliament's seats. It is expected to take effect on January 1, 1998.

The bill creates a three-tier pension system. Currently, Hungarians contribute 6 percent of their salaries, and employers put an amount equal to 32.5 percent of workers' pay into a government-run fund. Hungarians also have the option of saving for retirement in voluntary, private funds.

Under the new system, Hungarians' contribution to their retirement accounts will go into privately run, mandatory funds. By the year 2000, Hungarians' contribution to these funds will jump to 8 percent of their salary. All new entrants into the workforce will have to participate in the new system, while those already in the workforce who are 47 years old or younger will be able to choose whether or not they want to switch. People older than 47 will not be able to opt out of the current system.

There are several reasons for the overhaul. The current system is large and bureaucratic, and, because of shrinking birth rates and an increasing number of retirees, the state pension fund would have gone bankrupt by 2010. Last year, the pension system had a $262 million deficit, and this year's shortfall will be more than the $96 million estimated in the budget. Mr. Parniczky calculates that the decreased amount of money going into the state system will result in a $395 million deficit in 1998. He says the shortfall caused by the reform will be financed through government paper that the new private funds will purchase with their assets.

Another reason for the reform is the belief that private managers will do a better job investing funds, allowing Hungarians to retire with richer pensions.

Lastly, experts say some of the money in the private funds will be invested in the Budapest Stock Exchange, helping to develop the market and lessen its reliance on globe-hopping foreign capital. It is estimated that $1 billion annually will go into the new funds.

The BSE has been one of the star performers in the world. In 1996, the BSE index soared 170 percent, and it is up 41 percent so far this year.

The creation of the new funds is a "huge achievement," says Adam Gere, managing director of Sedgwick Noble Lowndes Kft, a benefits consulting company. "It is going to increase local participation, and that is a good thing."

The extent of the benefit will not be apparent until the new legislation is enacted, but some believe it will not be as great as was initially hoped because of concessions made to reform-wary unions.

"We understand the need for change," says Karoly Gyorgy, head of the international department of the National Confederation of Hungarian Trade Unions, which represents 48 unions with 800,000 members. "We just wanted to make sure there were no negative effects on the population."

The unions pushed to have employees' contributions to the private funds lowered from the 10 percent provided for in an earlier version of the bill and to institute a performance guarantee for the funds. The performance standard has yet to be set. Mr. Gere says a such a guarantee will drive managers to invest in bonds and thus lower investment returns. Mr. Parniczky counters that the mandatory funds play a social security role, so they need to offer stable returns.

**Theresa Agovino**

HADLEY KINCAID

*Hungarians reading newspapers across the Danube from Parliament.*

## BANKS SHIPSHAPE AFTER SEA CHANGE

*The opening to foreign ownership has helped make the sector more efficient.*

Advanced financial products and services and related technologies are spreading rapidly throughout Hungary's corporate and retailing sectors.

The more than 1.5 million cardholders in Hungary are busy using their newly acquired credit cards to do everything from getting a quick hit of cash to making purchases of major consumer durables, reports Gyorgy Suranyi, president of the National Bank of Hungary.

Now conducting most of their banking via on-line networks, Hungary's recently founded companies have been receiving unexpected visitors of late — bankers offering equity and working capital. The bankers represent institutions that are the subject of competing takeover bids from their international counterparts.

Meanwhile, the percentage of nonperforming loans issued by Hungary's banking community continues its steady decline, with the amount of loans outstanding progressively rising.

In real terms, about 6 percentage points of a 20 percent rise in total investment in fixed assets in Hungary came from an increase in long-term corporate debt, and the remaining 14 percent was largely financed by the companies themselves out of their cash flow.

Despite this, the total liquid assets of Hungary's corporate sector rose 24 percent in 1996.

As recently as four years ago, credit cards were a symbol of conspicuous consumption used by the fortunate few, electronic banking was unknown in Hungary, and performing loans and the banks capable of making them were as unknown as cash-rich domestic companies.

**The investors' job**

What has caused the dramatic change?

"A fundamental realization, and the courage to act upon it," says Mr. Suranyi. "We realized that neither Hungary's banking sector nor its business community in general had the amount of capital and of managerial and technological expertise required to modernize. We decided to entrust that job to the investors best capable of providing all three items — regardless of their national origin."

Before the investors could be allowed to do their stuff, the government had to get its banks in shape. In a pattern common to Central and Eastern Europe, most of Hungary's banks, founded or reconfigured in the late 1980s and early 1990s, had used their newly created borrowing power to make a large number of ill-conceived loans, often to companies and individuals with which the banks had intimate ties.

In 1992 and '93, the government spent 84 billion forints ($457,000) on "purchasing" the nonperforming debts from the country's troubled banks, effectively recapitalizing them. A further wave of recapitalization was carried out in 1994.

"And then we moved purposefully and quickly to privatize these banks in order to provide a basis for prosperous and stable growth," says Mr. Suranyi.

**Foreign capital**

Most of the equity stakes in the banks were acquired by foreign finance houses. The ongoing policy means that 27 of the country's 34 major banks are partially or wholly owned by non-Hungarians.

Foreign ownership accounts for about two-thirds of the banking sector and is set to rise even further with the new wave of bank privatizations. "I have no problem with it," states Mr. Suranyi. "The presence of the foreigners has given our domestic banks a standard against which they can and must benchmark themselves, making them more efficient in the process."

**Local managers**

"A very productive symbiosis has arisen," Mr. Suranyi adds. "The best-performing banks in Hungary are those melding foreign capital and local management. This trend has given us a generation of capable financial managers. Via job changes and consultancies, these managers are busy transferring their expertise throughout Hungary's business community, making it more international in the process."

The incorporation of foreign capital and expertise into Hungary's banking sector has benefited it in another way: clarity of ownership. Because all of the banks have been privatized or re-engineered under the klieg lights of public scrutiny, it's clear who owns what banks, and what the ties are between them.

Bank privatizations in many CEE countries have often been nothing more than a reshuffling of equity stakes between interlocking public and private sector interests. Such webs of ties and mutual dependencies are a major reason why foreign investors find many of the CEE's banking sectors uninteresting as an object of investment — and why nominally strict banking laws often do not prevent the sudden collapses and huge loan write-offs still the norm in the region.

**New rules**

New financial legislation — entitled Offering of Securities, Investment Services and the Securities Exchange; and Hungarian Banking and Capital Market Supervision — took effect on January 1, 1997. Among the laws' liberalizing features is the removal of the barriers between commercial and investment banking. The laws also set strict standards for ownership reporting, corporate accountability and prudential behavior.

Mr. Suranyi is confident that the laws will be effectively enforced.

"Because our banking system is now highly transparent, I'm sure we'll be able to make the laws' stipulations stick," he says.

**T.S.**

HADLEY KINCAID

HADLEY KINCAID

*Above: Paying for gas with a credit card.*

*Left: Signs on shop windows in Budapest.*

"HUNGARY"
*was produced in its entirety by the Advertising Department of the International Herald Tribune.*
*It was sponsored by the display advertisers and the National Bank of Hungary.*
WRITERS: *Theresa Agovino in Budapest and Terry Swartzberg in Munich.*
PROGRAM DIRECTOR: *Bill Mahder.*

هكذا من الأصل

# HUNGARY

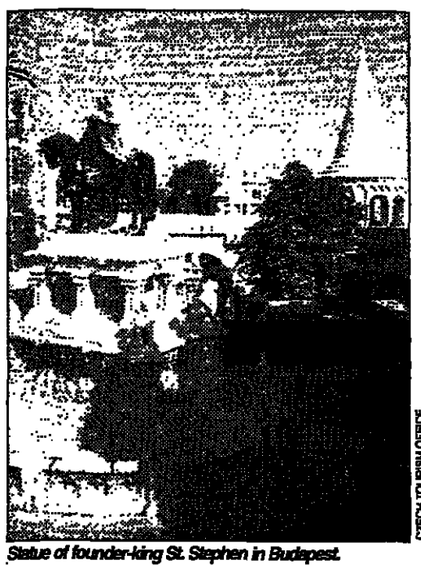
هكذا من الاصل

## TOURISM AUTHORITY GOES STRAIGHT TO THE PEOPLE

*The campaign highlights culture, food and village tourism.*

Hungarian tourism officials are reaching farther abroad to attract vacationers, and at the same time, encouraging Hungarians to holiday in their own country.

The tourism agency is continuing the successful promotion it started last year to entice foreigners to visit Hungary by placing ads in international media. Until last year, the Hungarian tourism agency cultivated interest in the country by marketing to *tour operators and travel agents* instead of attempting to reach foreign travelers directly. "We've only just started marketing to individuals. We couldn't really afford to do it before," says Gyorgy Szekely, director-general of the tourism division of the Ministry of Industry, Trade and Tourism. "This is an effective use of money."



CZECH TOURISM OFFICE

*Statue of founder-king St. Stephen in Budapest.*

**Creating an image**

Last year's promotion was comprised of four different ads, which featured Budapest, Lake Balaton, Hungary's thermal baths and the Hungarian Plain. This year, they have been joined by ads highlighting culture, food and village tourism. The $1.1 million campaign's theme is: "Open Doors. Open Hearts. Open Minds. Hungary."

Mr. Szekely says the ads promoting Hungary plant a seed in a travelers' minds, so that when they visit a travel agent or tour operator they have an idea of where they would like to go.

"It is a very good idea," says Richard Lyon, general manager of the Budapest Marriott. "Hungary still doesn't have an image in the minds of many travelers, and this is an opportunity to create a favorable image."

The campaign is designed so that it can be adapted to different target markets. For example, the village tourism ads are running only in newspapers in the Netherlands and Germany. That is because many travelers from those countries have already been to Hungary, so they are more likely to want to venture beyond Budapest. A short film about village tourism was produced for representative offices in those countries to complement the ad campaign. Lists are available of small country hotels and families that welcome vacationers into their homes.

"The Dutch and the Germans tend to be more adventurous travelers," says Mr. Szekely. "If you go around the countryside and see a tent pitched, it is almost certain the tourist will be German or Dutch."

*While it is hard to quantify the campaign's* success, Hungarian Tourism marketing chief Rita Szekeres says that calls and mail inquiries to Hungary's tourist offices increased tenfold last year.

Hungary has also made it easier for foreigners to learn more about the country. Over the past 18 months, 10 tourism offices have been opened, bringing the country's total to 14. This year, outlets will open in Tokyo, Stockholm and Cluj, Romania.

**Domestic travel**

Yet, as Hungary seeks to draw in more tourists from abroad, it is also trying to convince its own people to explore their nation. It is spending $541,000 in the country on billboards and newspaper ads that feature images of a family bicycling in the country, with the caption: "Here, you are at home."

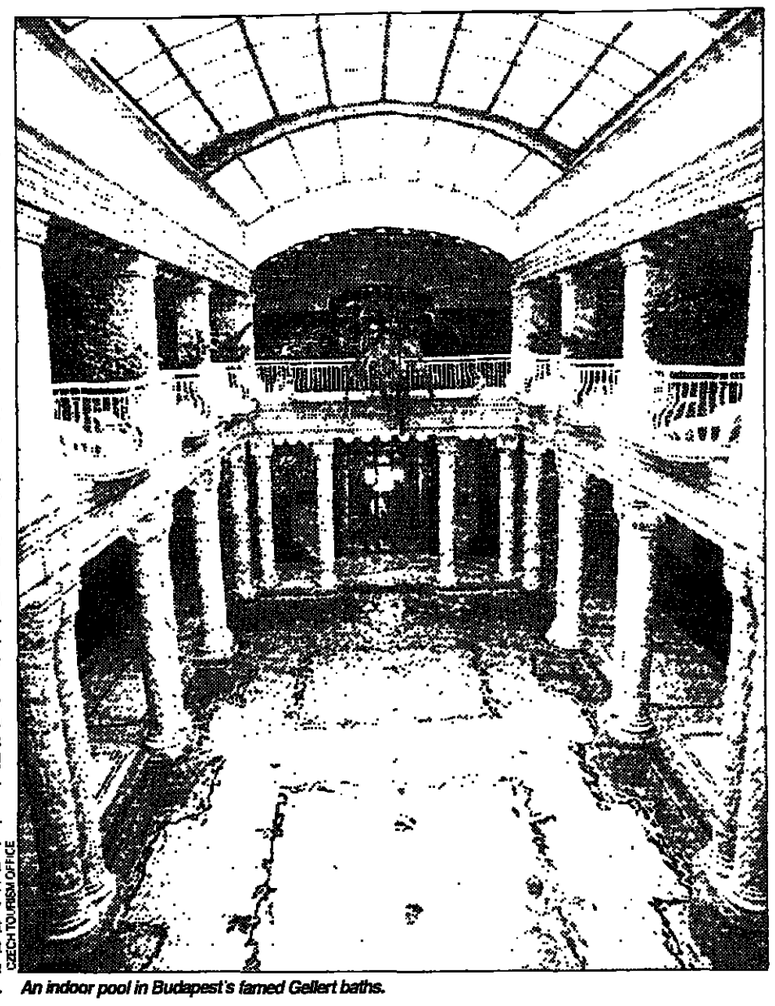
In addition, every day a spot sponsored by the tourism board on a popular morning television news show discusses upcoming events in Hungary such as the summer art festival in June on Lake Balaton and the Ballet and Opera Festival in Budapest in August.

Ms. Szekeres says her agency thought a local campaign was necessary because many Hungarians have taken advantage of their relatively newfound freedom to travel abroad and needed to be reminded of the attractions in their own country.

But just as Hungary strives to present a positive image at home and abroad, the country has been beset by bad publicity stemming from tourists being charged exorbitant prices for drinks and dinner at restaurants on and near Vaci utca, Budapest's main pedestrian shopping street.

Hungary's government has been praised for taking swift action to squelch the problem. The government closed the most egregious offender, a restaurant that last month charged a Danish tourist $6,000 for dinner for four. In addition, the ministry has pledged to publish a list of restaurants that operate without complaint and to start a tourist *complaint hot line that will be answered by a* multilingual staff.

T.A.



CZECH TOURISM OFFICE

*An indoor pool in Budapest's famed Gellert baths.*

## JOINING NATO

*Continued from page 19*

merits as a preventer of crises in Europe. One reason it has been able to forestall conflict in its areas of responsibility is that all its highly diverse member-states are unswervingly united in their adherence to the same political and economic principles, principles re-adopted and pursued by post-Communist Hungary.

– Over the last five decades, NATO's unity of principle and diversity of experience have allowed it to speak with one strong, compelling voice for peace and freedom. Hungary's joining will represent another affirmation of this unity. It will also extend this diversity, helping prepare NATO for its future challenges and further members.

*– Over the last few years, Hungary has systematically revamped its body of laws to harmonize with those of the EU in preparation for accession. Since Hungary is already well on its way to becoming a de facto member of the EU, won't formal accession merely be icing on the cake?*

Not in the slightest. The measures you mentioned have been preparations for the main event — admission to the EU.

The preparations have facilitated our economy's integration into the world's business community. This internationalization is behind the great improvement in the country's economy.

The main event, whose timing will most probably be finally established for Hungary over the next few months, will bring together our highly international economy and the world's largest and most truly international market. It's thus a natural match.

The accessions of Portugal, Spain and Finland have shown the benefits arising from full and formal accession, and how important participating in the union's decision-making processes can be.

One thing should be added. This process will not be a one-way street. Over the last eight years, Hungary has used its hard-won freedom to work a *top-to-bottom* economic transformation. The EU will profit from having members — I'm also speaking of the other CEE countries now slotted for membership — possessing this highly topical expertise.

*"No news is good news." Do you find that this statement describes Hungary's relations with its neighbors?*

If "quiet" is defined as a lack of misunderstandings and differences, most definitely. When the Horn [Gyula Horn, prime minister since 1994] government took office, it made the resolving of all and any conflicts with its neighbors one of its highest priorities. And, thanks to an equal amount of goodwill on the part of Croatia, the Slovak Republic, Ukraine and Romania, we've been highly successful in this regard.

But if "quiet" is interpreted as a lack of development or significant events, then I can't agree with this description at all. As a glance at our trade statistics shows, both the volume and range of *intra-regional commerce* are growing steadily. This is an entirely natural development.

*Foreign Minister Laszlo Kovacs.*

With the fall of the Iron Curtain, ties among the Comecon countries' business communities were ruptured. Within an extremely short period of time, Hungary compensated for this loss of business by reorienting the bulk of its trade activities from east to west.

Over the last few years, the ties have been re-knitted, as foreign-trade professionals in the various countries have resumed contact on behalf of their new companies.

By setting up and strengthening CEFTA [Central Europe Free Trade Agreement] and other regional-level organizations, the CEE region's national governments have greatly furthered this process.

**Interview by T.S.**

## A NEW TRADITION EMERGES IN SZEKESFEHERVAR

*The town where Hungary's kings were once crowned and buried is now an electronics manufacturing center.*

Szekesfehervar, once the seat of Hungary's kings, is now the home to corporate royalty.

Since 1991, companies such as International Business Machines, Ford Motor Co., Stollwerck, Nokia and Philips have invested a total of $1.2 billion in the city, 65 kilometers (40 miles) southwest of Budapest. Szekesfehervar is home to 50 multinational investors and 10,000 small entrepreneurs.

Hungary's founding father, Arpad, is believed to have settled in Szekesfehervar in 896 after he led the conquest of the Carpathian Basin. That would make Szekesfehervar the oldest town in the country. Stephen, Hungary's first king, built a basilica in Szekesfehervar in the early part of the 11th century, and for 500 years afterward the country's kings were crowned and buried in the town, a tradition that ended with the Turkish occupation.

But it wasn't regal tradition that has enticed investors to Szekesfehervar. Ironically, it was a bankruptcy.

Szekesfehervar is home to Videoton Holding Rt., a Hungarian electronics manufacturer, which was once one of the country's largest employers, giving jobs to 20,000 people. But the collapse of the Soviet Union deprived Videoton of its most important export market, and the company filed for bankruptcy in 1991, laying off 12,000 employees. That pool of well-trained workers, combined with Szekesfehervar's proximity to railroads and highways, helpful municipal officials, tax holidays and a well-developed infrastructure have lured investors to the city.

*Many of the international* companies with factories in Szekesfehervar rented space from Videoton so they could test the waters before making a large monetary commitment to the city. Renting space gave Videoton officials another idea: Why not rent people too? That provided another source of revenue for Videoton and removed another headache for potential investors. Videoton is a contract supplier for both employees and various computer parts for companies such as IBM and Philips.

"There was an information-technology tradition that existed here, so it was a good opportunity for us. It was a competitive advantage," says Peter Gaal, communications program manager of IBM Storage Product Kft., which has invested $110 million in Szekesfehervar since 1995 to construct two plants to build hard-disk drives.

Last year, the company made 1 million hard-disk drives and recorded revenues of $390 million. After finishing its second plant last November, this year IBM Storage expects to sell 4.1 *million disk drives and* collect revenues of $1.3 billion. About 2,500 of the 3,000 workers at the IBM plants are actually employed by Videoton.

"This could not have all happened with out the help of Videoton. They had all the contacts and employees. It was great," says Mr. Gaal. "You can't just hire 2,500 people in two months because they all need to be filtered, processed, interviewed. IBM just didn't have the time."

T.A.

HADLEY KINCADE

*Szekesfehervar's Town Hall Square, with the Bishop's Palace on the right and the St. John of Nepomuk church in the background.*

### USEFUL ADDRESSES

**National Bank of Hungary**
Szabadsag ter 8-9
H-1850 Budapest V
Tel.: +36 1 332 2521
Fax: +36 1 269 0735

**Hungarian Tourist Board**
Margit krt. 85
H-1024 Budapest
Tel.: +36 1 375 3564
Fax: +36 1 375 3646

**Ministry of Industry, Trade and Tourism**
Honved utca 13-15
H-1880 Budapest
Tel.: +36 1 353 0000
Fax: +36 1 353 2794

**Ministry of Foreign Affairs**
Bem rkp.
H-1027 Budapest
Tel.: +36 1 356 8000
Fax: +36 1 355 9693

### ON THE WEB

**Central Europe Online** (http://www.centraleurope.com/ceo/hungary) and **City.Net** (http://www.city.net/countries/hungary) are full-service Web sites providing businesspeople and travelers with every kind of briefing and services required, ranging from the latest weather report and news to in-depth information on the country's cultural attractions and business sectors. They also offer handy city maps and public transport schedules. Both are linked to hotel booking services.

For businesspeople looking into investing in Hungary, the **Ministry of Industry, Trade and Tourism**'s Web site (http://www.ikm.hu) offers in-depth information on the country's economy, applicable legislation and other pertinent subjects.

## MODEL FOR CENTRAL EUROPE

*Continued from page 19*

The fall in Hungary's standard of living was accompanied by a 6 percent drop in 1995 and in 1996 in its average wages in real terms (after allowing for the effects of the country's 20 percent annual rate of inflation). Coupled with the massive amount of investment in the country's capital stock, this drop caused a sharp rise in the country's relative productivity. Stemming from this increase have been the 4 percent rise in industrial output recorded by Hungary during 1995 and '96, and the ongoing fall in the country's rate of unemployment, now at a six-year low.

The GDP is the most closely watched of all economic figures. It is also the only one that did not show a sparkling improvement in 1996, rising a meager 1 percent.

For 1997, international analysts are predicting 4 percent to 5 percent growth, which would be one of the highest growth figures in the region. Mr. Fazakas is more conservative. "By their nature, forecasts overaccentuate the positive or the negative. We're sticking to our prediction of 3 percent."

That would still be enough to put Hungary near the top of the CEE's growth tables, as a number of the region's other countries are now wrestling with the problems Hungary has addressed over the past few years.

Even those CEE countries that are still prospering have not been spared drops in industrial production, bank failures and other ills.

Is there a lesson in all this?

"Yes," says Mr. Fazakas. "I think that Hungary's recent experience shows that internationalization should not be postponed because of the short-term political and economic upheavals it causes.

"The efficiency imparted by an unswerving adherence to 'no border' economic policies is really an absolute essential of long-term growth."

T.S.

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• 1998 Winter (80 lessons) 11-24 January
• 1998 Supper-Intensive (120 lessons) 17-30 May
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E-mail: nyarlegy@tigris.klte.hu

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WORLD ROUNDUP

## Noise Annoys NBA

**BASKETBALL** The National Basketball Association is taking to curb noise at games.

David Stern, the commissioner, said the music that teams play during time-outs and, increasingly, during play, is just too loud. He said he has told the clubs to turn it down.

"We actually have a decibel counter and we check that throughout the season," Stern said, adding that although there had been a lowering of the volume the music was still ear-splitting and potentially deafening. *(AP)*

## Lions Maul Mpumalanga

**RUGBY UNION** Rob Wainwright scored three tries in nine minutes Wednesday as the British Lions beat Mpumalanga, formerly South Eastern Transvaal, 64-14, at Witbank in South Africa. *(Reuters)*

## Russia Bids for Euro 2004

**SOCCER** Russia will bid to stage the European soccer championship finals in 2004, Vyacheslav Koloskov, the Russian Football Union president, said in an interview published Wednesday in a Russian sports newspaper. *(Reuters)*

## Caps Fire Schoenfeld

**ICE HOCKEY** The Washington Capitals fired Coach Jim Schoenfeld on Tuesday. Schoenfeld, who interviewed for the team's general manager job less than a week ago, was dismissed over the phone by team president Dick Patrick. He had been with the club since 1994, accumulating a 113-102-34 record, and had two years remaining on a contract that was renewed in September. *(AP)*

## Orlando Hires Daly

**BASKETBALL** Chuck Daly ended a three-year break from coaching Tuesday, accepting a three-year, $15 million offer to take over the Orlando Magic, a job he originally turned down.

Daly, 67, led the Detroit Pistons to NBA championships in 1989 and 1990. He had been working as a television commentator with Turner Sports. *(AP)*

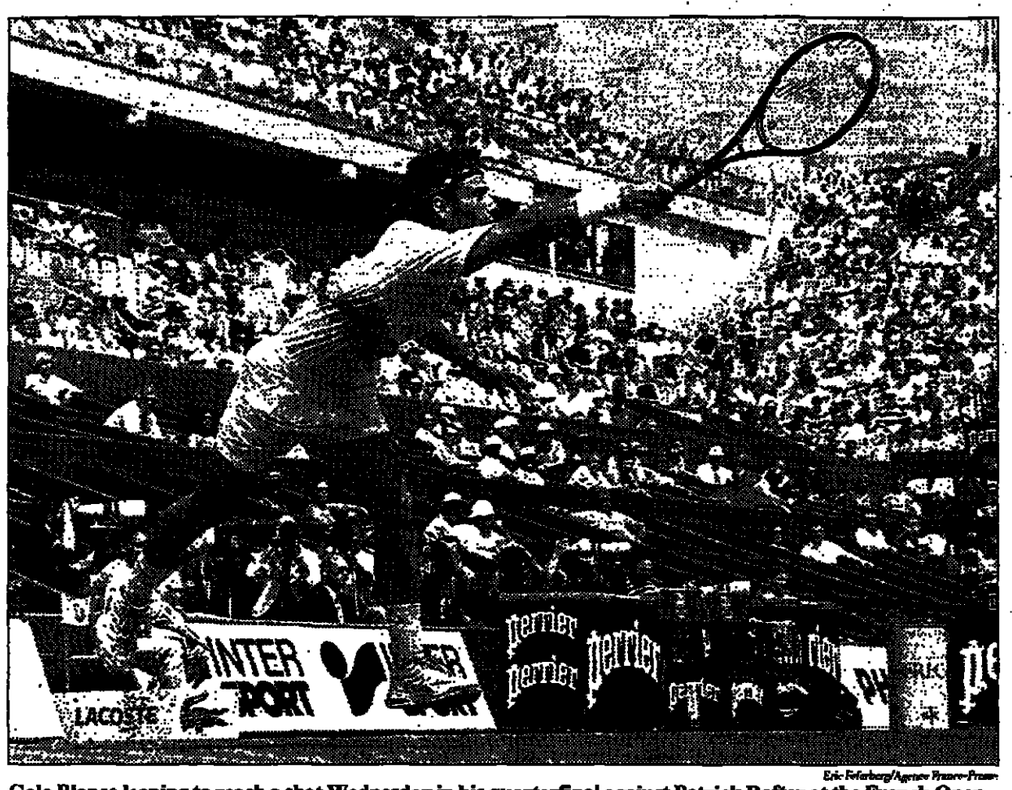
## Helen Jacobs Dies

**TENNIS** Helen Hull Jacobs, who won nine major championships in the 1930s, died Monday in Easthampton, New York. She was 88.

Ralph Smith, her lawyer, said the probable cause of death was heart failure.

Jacobs won the U.S. national title four straight times in 1932-35, the Wimbledon singles in 1936, and was a mainstay for the U.S. Wightman Cup team in 1927-39. *(NYT)*

# Bruguera Brings Normality Back to French Open



Eric Feferberg/Agence France-Presse

**Galo Blanco leaping to reach a shot Wednesday in his quarterfinal against Patrick Rafter at the French Open.**

By Ian Thomsen
*International Herald Tribune*

PARIS — Nothing sensational or bizarre happened Wednesday at what has become tennis's version of the 1929 stock market crash. It was a day of recovered security and measured consolidation. But lord knows, another favorite will be jumping out the window by the weekend.

The last surviving male seed at the French Open — and therefore the most likely candidate for suicidal play — is No. 16 Sergi Bruguera, the 1993 and 1994 champion at Roland Garros who hasn't won a title of any kind in three years. Bruguera, ranked 19th in the world, wouldn't have been seeded at all this fortnight if not for the withdrawal of No. 9 seed Thomas Enqvist of Sweden shortly before the tournament.

Bruguera won his quarterfinal by 4-6, 6-3, 6-2, 6-2 against Hicham Arazi, an unseeded Moroccan who lives in suburban Paris.

Given that Arazi was ranked no better than 55th in the world, had never made it past the second round in a Grand Slam event before last week and had just one career title (in Casablanca, wonderfully) compared to 14 for Bruguera, it was widely anticipated that Bruguera would be in big trouble. Unlike most everyone else at Roland Garros, Bruguera somehow turned all of his perceived advantages to his favor. It is his secret.

In the men's semifinals Friday, Bruguera will meet Patrick Rafter of Australia, the world No. 25 who in equally bewildering fashion overcame No. 111 Galo Blanco of Spain, 6-3, 7-6 (7-3), 6-3.

The other semifinal will involve the No. 122 qualifier Filip Dewulf, the first Belgian to advance this far in a Grand Slam of the Open era. With one more victory, Dewulf will become the first qualifier to experience a Grand Slam final. Opposing him will be No. 66 Gustavo Kuerten of Brazil, the winner of his last three rounds in five sets each, including upsets of the last two champions — No. 3 Yevgeni Kafelnikov and No. 5 Thomas Muster. The 20-year-old Kuerten has never advanced this far in any tour event.

Roland Garros has thus been assured of its seventh unseeded finalist since 1925.

"I think sometimes it's good not to have any experience," said the 26-year-old Bruguera, who has been rebuilding his form after a terrific ankle injury suffered on the eve of last season.

"For me, the first time I won, everything was new. I was playing with the best confidence without thinking about anything. Sometimes is good, no?"

Arazi would have agreed after winning the opening set against Bruguera. The lefthanded Arazi, 23, was surely the more elegant shotmaker. Then Bruguera established his metronomic rhythm from well behind the baseline, deadening the Moroccan of his joy, frustrating him. His last tired weapon was a drop shot, which he tried several times too many.

Rafter wanted badly to win his quarterfinal at the net, but he succeeded, first of all by wrestling with Blanco from the baseline. The Spaniard could not gain any leverage. It was tight going late into the second set tiebreaker, when Blanco lost a pair of service points with his forehand, one ballooning long and the next hopping off the tape. He had recovered from such mistakes earlier in the match, but now Rafter was cashing in quickly.

Rafter, 24, won his only singles title three years ago at Manchester. He was injured for parts of a year and a half before this year improving his ranking from No. 62. Next week, he will move into the Top 20 for the first time.

The clay courts are sunbaked and fast this year, but, still, he never would have imagined doing this well — no Australian has reached a French Open semifinal since Phil Dent 20 years ago, and no one has won it since Rod Laver in 1969 in the days of Australian greatness. In that tournament, Laver beat Ken Rosewall in the final. Tony Roche, Fred Stolle and John Newcombe had also reached the final eight.

"We have a surface at home called Antbed," said Rafter, describing his early training for this surface. "The big ants, they make these huge mounds. Get it and crush it. They make the courts of it. It's very slippery. You can't move. You slide a lot, but it's difficult to stand up. That's about the only close thing to clay we have back in Queensland."

ON THURSDAY, the women will take over center court for their semifinals, after having been relegated — under their continuing protest — to the secondary Court Suzanne Lenglen for the previous round.

No. 11 Amanda Coetzer of South Africa, who has now knocked Steffi Graf out of the last two Grand Slam events, will meet No. 9 Iva Majoli of Croatia.

The most provocative matchup of the women's tournament thus far will be No. 3 Monica Seles against her successor as prodigy, No. 1 Martina Hingis of Switzerland. Seles, now a relatively elderly 23, won three consecutive French Opens before she was stabbed in the back by a German fanatic four years ago. At the 1990 French Open, Seles became the youngest woman Grand Slam champion of modern times — a record broken by the 16-year-old Hingis in January at the Australian Open.

Hingis was in a good mood Wednesday as she won a doubles match with her Spanish partner, Arantxa Sanchez Vicario, twice a champion.

The two of them had opposed each other in the singles quarterfinal the day before. In their relationship on court, Sanchez Vicario, 25, was now the big sister. They whispered strategy to each other and Hingis turned away with a hop, smiling. Hingis was really enjoying herself when a bit of noise came splashing in from the larger center court stadium next door. Then Sanchez Vicario hit a bad shot. She slammed her racket off its heel and caught it again with both hands. That was the only time she revealed what had happened the day before.

# Betis Shrugs at Charges It Threw Game

*Compiled by Our Staff From Dispatches*

The players and coach of Real Betis, of the Spanish League, hit back Wednesday at critics who accused them of not trying in Saturday's 1-0 defeat by Sporting Gijon, which is one of the teams struggling to avoid demotion from the first division.

The result condemned Sevilla, the local rival of Betis, to relegation and jeopardized the first-division places of several other clubs.

"We can't have a load on our conscience because of the poor seasons of others," said coach Serra Ferrer.

During the game Betis fans cheered the Sporting goal and booed offside decisions made against the visitors.

The match attracted a flood of criticism, principally from managers of other teams threatened by relegation.

"I had to turn the television off," said Maximo Hernandez of Rayo Vallecano. "I had never seen a team go out to lose."

Paco Flores of Espanyol said, "Betis will pay in time. History doesn't forgive. They will pay for it."

Alexis Trujillo, the Betis captain, added, "They are excuses to remove importance from their defeats. The fans' reaction was justified because they had to suffer a lot of pain in recent years."

After years of playing second fiddle to its neighbor, Betis had already qualified for the UEFA Cup and reached the Spanish Cup final.

Sevilla has twice been accused of throwing games to harm Betis.

**MAJOR LEAGUE SOCCER** Attendance in the U.S. professional league is averaging less than 15,000 this year,

**SOCCER ROUNDUP**

well below the target of 20,000 set by Doug Logan, the league president.

"I don't know if I'm going to get there," Logan said Tuesday.

"I'm pretty certain we'll wind up the season higher than last year's average," Logan said. "We're not going to have the significant drop off we had in the middle of last season," which clashed with the Olympics.

Fifty-eight games into the season, MLS is averaging 14,925, 14 percent down from the final average of 17,416 through 160 games last year. The league has tried to boost attendance by playing more games on the weekends.

Logan attributed much of the drop to "an early season spike last season" and foul weather, particularly in the New York, Kansas City and Colorado areas.

**TOURNOI DE FRANCE** A 60th-minute equalizer by substitute striker Marc Keller gave France, the 1998 World Cup hosts, a 1-1 draw with world champion Brazil in the opening match of the four-team Tournoi de France.

Roberto Carlos, who plays for Real Madrid, had given Brazil the lead in the 21st minute with a wickedly swerving free kick that left Fabien Barthez, the French keeper, flat-footed and open-mouthed as it hit the inside of a goal post and flew into the goal.

**WORLD CUP** Iran took its tally of goals this week to 24 when it beat Kyrzygstan, 7-0, in Asian qualifying Group 2, which is being played in Damascus. Iran beat Maldives on Monday, 17-0. In Wednesday's other game Syria beat the Maldives 12-0.

**ITALY** Serie A produced more goals and more penalties this season, Paolo Casarin, Italy's refereeing chief, said Wednesday.

Casarin said referees awarded 109 penalties of which 80 were indisputable, 10 "invented" and 19 debatable. He also said referees missed 10 other genuine penalties. Casarin said there were 808 goals in Serie A this season, up from 702 in 1990. He said there were an average of 40 fouls a game, which was within the European norm, but fewer than the Champions League final with 55.

# *Precious Pay Dirt: Who Foots the Bill for New Stadiums?*

By Richard Sandomir
*New York Times Service*

NEW YORK — North America is in the grip of "Stadium Mania."

In every big-time sport, owners by the dozen are asking for, and usually getting, new stadiums and arenas to finance their cash-flow reveries, soaring player salaries, loans to buy their teams and estate plans.

The wave of construction has spurred a hot public debate: Should millionaire owners coping with the high cost of business reach into their own pockets to build luxurious sports palaces? Or, scared that a team might leave or eager to lure a team from elsewhere, should state and local governments pay for such places?

"You don't measure sports teams just in dollars and cents," said Peter Karmanos, who last month moved his hockey team, the Hartford Whalers, from Connecticut to North Carolina. "You measure it in cultural spirit. Ask people in Hartford what they think it means to the city when they lost the team, or in Minneapolis-St. Paul. Ask if they'd reconsider subsidizing a team to come back there."

Opponents say that subsidies, such as broad-based sales taxes, constitute corporate welfare, mocking the public's need to pay for essential services. In addition, many studies show that there is little economic gain from these kinds of projects, and that spending on stadiums merely diverts spending from other areas.

"Once you take taxes to pay for a stadium or arena, you can't spend it somewhere else," said Mark Rosentraub, a professor at Indiana University's School of Public and Environmental Affairs. "Stadium construction creates no real wealth. It just transfers it."

Still, a hodgepodge of public and private financial resources makes up the construction plans of 44 professional teams (spread over the four major U.S. sports) that are seeking, close to getting or building new stadiums or arenas. The list includes two arenas in Miami and possibly two in Los Angeles, plus two stadiums each in Cincinnati, Detroit, Seattle and San Francisco. But it excludes a stadium being built for the renascent Browns in Cleveland, and one proposed for the Coliseum's site in Los Angeles, which has lost two football teams since 1995.

In New York alone, the Yankees' desire a new stadium in Manhattan and the Mets are planning a retractable domed stadium on a site opposite Shea Stadium, for which they may ask government aid. The Islanders are also looking for a new arena to replace the aging Nassau Coliseum, with help from the county.

"One of the main reasons I bought the team was the understanding that there would be an effort to build a new arena," said John Spano, the Islanders' owner.

The stadium and arena action accelerates almost daily: Columbus, Ohio, voters reject a tax increase for an arena and a soccer stadium; the Whalers pay Connecticut $20.5 million over 15 years to become the Carolina Hurricanes; the Minnesota Twins threaten to leave the Metrodome; the Cincinnati Bengals sign a lease through 2026 for a stadium paid for mostly with a half-cent sales tax. "It's a renaissance," said Jerry Bell, the president of the Twins.

BUT NOT for the Twins, at least not yet. Minnesota's state legislature has not enacted any measures to finance a new ball park, or even bite at an offer by the team's owner, Carl Pohlad, to trade the state a 49 percent interest in the team for financial backing.

The Twins are not alone in seeking public aid:

- San Francisco voted on a new football stadium on Tuesday. (See accompanying article).
- In two weeks, Seattle voters will be asked to approve a $300 million package of financial aid for the construction of a $425 million stadium for the Seahawks. The vote has been financed, with the approval of Washington's state legislature, by Paul Allen, the Microsoft Corp. billionaire.
- The Pittsburgh Steelers and the Pirates, uneasy partners at 26-year-old Three Rivers Stadium, are trying this month to put a referendum to build two stadiums on a November ballot. The financing includes a 10-county sales-tax increase.

Each referendum is, in a way, a plebiscite on how far governments should go to help finance stadiums and arenas for privately owned teams. Owners say they merit public subsidies because of the intangible psychological benefits of being a major-league town and the economic advantages that teams generate. They wield the ultimate hammer, leaving town, which can bring a vulnerable city to its knees or usher in a sweet deal from another city.

"Corporate welfare? Absurd," said Bud Selig, owner of the Milwaukee Brewers and baseball's acting commissioner. He spent nine years cobbling together the money to pay for the team's new home that will be completed in 2000, Miller Park, including $160 million from a one-tenth of a cent sales-tax increase imposed on five counties.

"This will produce a better return than many of the things that get government funds."

In San Francisco, the Simon DeBartolo Group, which is half-owned by Ed DeBartolo Jr., the owner of the 49ers, and Mills Corp., a mall developer, wanted the city to issue $100 million in bonds to help back a $525 million stadium and mall complex. The old stadium, 3Com (born Candlestick) Park, would be razed.

The team and city have presented many studies to show that taxes generated by the complex would easily pay the debt on the project, and vowed to buy insurance to guarantee payments if there was a revenue shortfall. "It's not viable," said Andrew Zimbalist, an economics professor at Smith College in Northampton, Massachusetts. "The incremental revenues from the mall and stadium won't pay the debt service." He said the city's estimate of $6.1 million in yearly debt payments — to be repaid with sales taxes — should be raised to $10 million.

In San Francisco, a city that rejected public aid for a Giants ball park in 1987 and 1989, suspicion reigns. "Sports owners are the new robber barons," said Joel Ventresca, chairman of the Committee to Stop the Giveaway, an opposition group. He said he wondered how much more the city would end up paying in hidden infrastructure costs.

P.J. Johnston, the press secretary to Mayor Willie Brown, said taxpayer money would never go into the project, which he said would enrich the low-income residential area near the stadium. He added that the city was better off with a new stadium than with spending up to $130 million to repair decaying 3Com Park.

THE CAMPAIGN has also featured the carrot and the threat: the National Football League has promised three Super Bowls for a new stadium. If there is no stadium, DeBartolo has threatened to move, perhaps to open-armed Los Angeles.

In Seattle, the question of whether Paul Allen, whose Microsoft stock is worth $12.4 billion, deserves help from the public, is frequently heard.

"Remember, Paul Allen was coaxed into this," said Bob Gogerty, a campaign consultant to Allen. "This is a team whose owner was going to move the team in a van and Paul picked up the option. He's saying, 'I'll be a part of this.'"

But skepticism persists. In 1995, Seattle voters spurned a referendum providing financing for a $320 million ball park for the Mariners, then watched Washington's legislature retool the measure and pass it.

This time, Washington voters are being asked to approve $300 million from lottery games, stadium admission and parking taxes, sales tax credits and deferrals and an eight-year extension of a King County lodging tax.

"Who's more in need?" asked Shawn Newman, chairman of Citizens for Leaders with Ethics and Accountability Now, a watchdog group. "The guy on the street or the guy who made a billion dollars in a single day?"

But Allen has urgency and leverage. He is paying $4.2 million to hold the election, which state law allows. His option to buy the Seahawks from Ken Behring expires on July 1. And he is spending several million dollars to spread his message on television, in newspapers and through direct mail.

## Voters Favoring Arena Complex for 49ers

*The Associated Press*

SAN FRANCISCO — A razor-thin majority of voters approved the proposed $525 million stadium-and-mall complex for the San Francisco 49ers, but the tally was not final.

Tuesday's vote counted out at 50.1 percent for the project and 49.8 percent against, with 100 per cent of precincts reporting.

But about 4,500 additional ballots from voters who had moved or had been dropped off active voting lists remained to be counted over the next week to 10 days.

"I understand the game is never over until the official blows the final whistle," said Carmen Policy, the team's president.

The proposal trailed by as many as 12 percentage points in initial returns before finally nosing in front late in the evening.

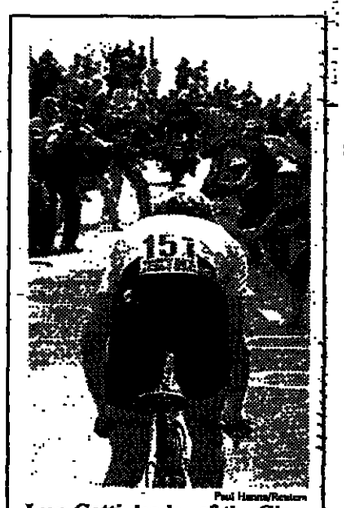
A spokesman for those opposed to the project, Jim Ross, said he expected the election to be close but thought that even those who voted for the proposal did not necessarily like it. "It's the fear of losing the 49ers — that's what caused people to vote for it," Ross said. An estimated 171,000 people, or 42 percent of San Francisco's registered voters, cast ballots for Propositions D and F to cap a highly-charged and often bitter three-month campaign.

Proposition D, which was passing by 781 votes, called for $100 million in bonds to help finance the construction of a replacement for 3Com Park at Candlestick Point.

Proposition F, which was passing by 530 votes, would grant planning variances and alter certain zoning regulations on city-owned land to clear the way for the new 75,000-seat stadium and an adjacent shopping and entertainment complex, whose tax revenues would be set aside to repay the bond.

The 49ers and their mall-development partners would be responsible for the $425 million balance as well as any overruns.

Backers, including Mayor Willie Brown, said the project would create up to 10,000 jobs. Opponents, led by a state senator, Quentin Kopp, called the project confusing and financially risky for taxpayers.



Paul Hanna/Reuters

**Ivan Gotti, leader of the Giro, being cheered on Wednesday.**

# Gotti Retains Lead in Giro

*Compiled by Our Staff From Dispatches*

CAVALESE, Italy — Pavel Tonkóv was forced to change bikes right before the start of Wednesday's time trial in the Giro d'Italia, and could only reduce Ivan Gotti's lead by 14 seconds.

Sergei Gontchar won the 40-kilometer (24.8-mile) race from Baselga di Pine to Cavalese in a time of 47 minutes 18 seconds.

Officials said the rear wheel of Tonkov's bicycle had added materials that are not allowed by race rules. Tonkov now trails Gotti by 37 seconds.

"I rode badly because I felt the difference in the new bicycle," said Tonkov, who was seventh on the day, 2:30 behind Gontchar. "My legs were affected by the change. I had never tried using that particular bicycle before."

Tonkov had used the first bicycle in winning the Tour of Romandie a week before the Giro began.

Evgeni Berzin was second in the time trial, 1 minute 8 seconds behind Gontchar. Gontchar moved up to seventh overall. *(AP, Reuters)*

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## SPORTS

# Long-Shot Red Wings Sink 2d Flyers Goalie

By Joe Lapointe
*New York Times Service*

PHILADELPHIA — The Philadelphia Flyers changed goalies, changed a couple of forwards and changed a defenseman, too. But they couldn't change the momentum of the Stanley Cup finals.

Despite an impressive comeback from an early two-goal deficit, the Flyers lost again to the Detroit Red Wings, again by 4-2, in Game 2, Tuesday.

Detroit leads, two games to none, in the four-of-seven-game series as it seeks to win its first Stanley Cup since 1955, the longest drought among all National Hockey League teams.

Brendan Shanahan scored twice for Detroit. His second goal, midway through the third period, was decisive. After Sergei Fedorov triggered a two-on-one rush with a long pass to Martin Lapointe, Shanahan took Lapointe's horizontal pass in the Philadelphia zone and wristed the puck past the diving Flyer goalie, Garth Snow, at 9 minutes 56 seconds for the 4-2 lead.

Shanahan also hit the goal post twice with shots, the second coming in the final minute after Philadelphia pulled Snow for an extra attacker.

Defending on the play for Philadelphia was Paul Coffey, a former Red Wing who was on the ice for all three of Detroit's even-strength goals, and in the penalty box for the one Detroit goal on the power play.

Steve Yzerman scored the power-play goal, and Kirk Maltby scored at even strength to break a 2-2 tie early in the second period.

It was the first time in this postseason that Philadelphia has lost two consecutive games.

Terry Murray, the Flyers coach criticized his goaltending and the play of Coffey.

"We have to have a higher responsibility," he said. "It starts with goaltending. Not getting the big stops is your worst nightmare when you get to the finals."

Murray said Kirk Maltby's goal on a long slap shot is the kind of save that has to be made.

"We need to be better in that position," he said. When asked if he would play Snow or Ron Hextall in the next game, Murray replied: "I'm not going to give that answer right now. I don't know myself."

As for Coffey, Murray said, "We need a better Paul Coffey."

Snow was in the Flyer goal in place of Ron Hextall, who played in Detroit's 4-2 victory in Game 1 on Saturday night. Snow gave up a goal on the second Detroit shot, by Shanahan, after 97 seconds of play.

He gave up a second, on the power play, when Yzerman knocked in a rebound at 9:22.

Rod Brind'Amour evened the score before the first intermission by scoring twice on the power play, both on deflections of shots from the blue line.

Snow, who played the first two rounds of this four-round tournament, lost his first-string status to Hextall during Game2 of the third round against the Rangers. Murray reversed their roles again after Game 1 on Saturday night, when Hextall gave up the crucial fourth goal to Yzerman on a 55-foot slap shot early in the third period.

Two of the first three Detroit goals Tuesday came on similar plays against Snow. With the score tied at 2-2 early in the second period, Detroit took a 3-2 lead on a long slap shot by Kirk Maltby, who fired the puck low on the glove side after crossing the blue line.

Other than that, the Flyers seemed to take control of the game in the second period, hemming the Wings in their zone for long stretches that began with Philadelphia winning face-offs in the circles near goalie Mike Vernon.

The Flyers came into the game with a noticeable edginess that went beyond Murray's goalie maneuvers. Eric Lindros, the Flyers' young captain, said Sunday that perhaps the Flyers should just "play hockey" and not worry so much about line matchups, as they had in Game 1.

Such a statement could be construed as a veiled criticism of his coach. On Monday, after Lindros and Murray had an intense conversation during practice, Lindros, 24, was asked the subject of their discussion.

"That is between Terry and I," Lindros said. "We were just talking about a few changes that we might possibly make. I was offering my opinion on some things and he was, you know, he was listening to them."

Murray, referring to Lindros, said: "Eric is the captain. He does have a great hockey mind." Lindros, in Game 1, assisted on both Flyer goals but finished with a minus 2 in the plus-minus ratio. There was speculation here that he might be upset with a lack of ice time.

Rusty Kennedy/The Associated Press

**The Wings' Darren McCarty Eric Lindros, captain of the Flyers, into the boards.**

# Belle's Homer Answers Taunting

*The Associated Press*

They booed and rang cowbells. They threw fake money, cups, ice, a baseball and even binoculars at their former hero.

Still, Cleveland Indians fans couldn't rattle Albert Belle.

Playing at Jacobs Field in Cleveland for the first time since he left the city for a megabucks deal with Chicago, Belle hit a three-run homer and two doubles to lead the White Sox over the Indians, 9-5, on Tuesday night.

"Out of anything you can say about the guy, he's a great player," said Jim Thome, who homered twice for Cleveland. "And I think he really loves the pressure."

**Athletics 9, Tigers 8** In Oakland, Mark McGwire hit his 22d homer as the Athletics rallied for five runs in the seventh inning. He has 10 homers in his last 19 games.

**Mariners 6, Blue Jays 3** In Seattle, Jay Buhner homered twice and Jose Cruz Jr. hit his first major-league homer as the Mariners won their third straight.

**Brewers 6, Red Sox 4** In Milwaukee, Jeff Cirillo hit a two-run homer with two outs in the bottom of the ninth to lift the Brewers over Boston. Cirillo's shot completed a comeback from a 4-1 deficit and gave Milwaukee its fifth win in six games.

**Orioles 7, Yankees 5** Rafael Palmeiro hit a two-run homer in the bottom of the 10th as Baltimore finally beat the Yankees at Camden Yards. The surging Orioles, now leading their division by a huge 8½ games, beat New York twice on the road last week, but went 0-9 against the Yankees at home last year.

**Twins 5, Rangers 4** Matt Lawton and Paul Molitor each went 3-for-5, and Rick Aguilera pitched out of trouble in the final two innings as Minnesota won in Texas.

**Royals 5, Angels 2** Tom Goodwin went 4-for-4 with a homer, and Tim Belcher pitched eight strong innings as Kansas City won in Anaheim.

# Dodgers Strand 11 And Astros Profit

*Compiled by Our Staff From Dispatches*

Brett Butler, in what is probably the final season of his 16-year career, returned to the Los Angeles Dodgers' starting lineup in Houston after sitting out 24 games because of a shoulder injury.

But even Butler, one of the best leadoff hitters in baseball, couldn't lead the Dodgers out of their slump.

The Dodgers stranded 11 runners on Tuesday night, including eight in scoring position, and lost for the 12th time in 16 games, 4-3, in 10 innings to the Astros.

**NL Roundup**

Jeff Bagwell, who leads the National League with 18 home runs, hit the game-winning homer off relief pitcher Scott Radinsky.

Butler, who was batting .356 before going on the disabled list May 7, had one hit in five at-bats and stole two bases. "It's nice to be back, but we lost," Butler said. "I didn't do my job. There's no excuses. We've got to execute the fundamental skills and we're not doing it.

**Mets 2, Expos 1** Bobby Jones got his 10th victory as New York beat visiting Montreal.

Matt Franco homered and Carlos Baerga hit a run-scoring double in the eighth to give Jones all the runs he needed.

The Mets had been blanked over the first seven innings by Pedro Martinez (8-2) before rallying. Jones struck out five and walked three.

The Expos took the lead in the eighth on Rondell White's double. But in the bottom of the inning, Matt Franco, hitting for Jones, led off with the first pinch-hit homer of his career.

Edgardo Alfonzo and Todd Hundley got on base and then Baerga, 7-for-10 in his career against Martinez, lined a double into the right-field corner to score Alfonzo. A rookie right fielder, Vladimir Guerrero, made a strong throw to nail Hundley at the plate.

"The last two games he has hit me well, but there'll be a time that I'll come back and get him," Martinez said of Baerga. "You can be sure of that."

**Padres 5, Braves 2** In Atlanta, after umpires reversed a call to take a two-run homer away from the Braves' Keith Lockhart, San Diego scored three runs in the ninth.

In the eighth, Lockhart hit a ball into the right-field stands that a rookie umpire C. B. Bucknor, ruled a two-run homer. After the Padres surrounded Bucknor to protest, the umpires' crew chief, Ed Montague, changed the call. Television replays then showed that the ball was foul.

In the ninth, John Flaherty brought home the go-ahead run with a bases-loaded groundout, then Quilvio Veras added a two-out, two-run single.

**Reds 3, Phillies 2** Kent Mercker pitched 6⅓ strong innings and Willie Greene had a run-scoring double in a three-run sixth inning as Cincinnati won in Philadelphia.

**Cardinals 15, Rockies 4** John Mabry drove in six runs, Ron Gant had three hits and Royce Clayton went 5-for-6 as St. Louis won at home.

**Pirates 3, Cubs 1** In Chicago, Steve Cooke allowed five hits in 7⅓ innings to help Pittsburgh stop Chicago's first three-game winning streak this season.

**Giants 9, Marlins 1** In Miami, Bill Mueller and pitcher Shawn Estes hit their first major-league homers in a game called because of rain with one out in the top of the seventh. *(LAT, AP)*

# SCOREBOARD

## BASEBALL

### Major League Standings

**AMERICAN LEAGUE**

| EAST DIVISION | W | L | Pct. | GB |
|---|---|---|---|---|
| Baltimore | 27 | 15 | .712 | — |
| New York | 31 | 26 | .544 | 8½ |
| Toronto | 26 | 28 | .481 | 12 |
| Detroit | 25 | 29 | .472 | 12½ |
| Boston | 22 | 32 | .407 | 16 |
| **CENTRAL DIVISION** | | | | |
| Cleveland | 27 | 25 | .519 | — |
| Milwaukee | 27 | 26 | .509 | ½ |
| Kansas City | 25 | 28 | .472 | 2½ |
| Chicago | 25 | 29 | .463 | 3 |
| Minnesota | 25 | 32 | .439 | 4½ |
| **WEST DIVISION** | | | | |
| Texas | 30 | 25 | .545 | — |
| Seattle | 30 | 27 | .526 | 1 |
| Anaheim | 28 | 26 | .519 | 1½ |
| Oakland | 24 | 35 | .407 | 8 |

**NATIONAL LEAGUE**

| EAST DIVISION | W | L | Pct. | GB |
|---|---|---|---|---|
| Atlanta | 37 | 19 | .660 | — |
| Florida | 32 | 23 | .582 | 4½ |
| New York | 32 | 24 | .571 | 5 |
| Montreal | 29 | 26 | .527 | 7½ |
| Philadelphia | 19 | 36 | .345 | 17½ |
| **CENTRAL DIVISION** | | | | |
| Pittsburgh | 28 | 28 | .500 | — |
| Houston | 28 | 29 | .491 | ½ |
| St. Louis | 25 | 30 | .455 | 2½ |
| Chicago | 23 | 33 | .411 | 5 |
| Cincinnati | 21 | 35 | .375 | 7 |
| **WEST DIVISION** | | | | |
| San Francisco | 32 | 23 | .582 | — |
| Colorado | 31 | 25 | .554 | 1½ |
| Los Angeles | 27 | 28 | .491 | 5 |
| San Diego | 25 | 30 | .455 | 7 |

**TUESDAY'S LINESCORES**

**AMERICAN LEAGUE**

Detroit 021 200 000—5 11 0
Oakland 200 100 51x—9 13 0
Blair, M. Myers (7), Micell (7), Bonilla (8) and B. Johnson; Wengert, C. Reyes (5), A. Small (7), Taylor (9), Mohler (9), D.Johnson (9) and Mayne. W—A. Small, 5-1. L—M. Myers, 0-3. Sv—D. Johnson (2). HRs—Detroit, Nieves (7), Fryman (9). Oakland, Grippi (7), McGwire (22), Brosius 2 (4).

Toronto 010 100 001—3 7 0
Seattle 000 212 00x—5 12 0
W.Williams, Spoljaric (6), Crabtree (8) and Santiago; Moyer, B.Wells (7), McCarthy (8), S.Sanders (8) and D. Wilson. W—Moyer, 5-2. L—W. Williams, 1-6. HRs—Toronto, C. Delgado (9). Seattle, Buhner 2 (14), Sorrento (8), Cruz Jr (1).

Chicago 100 150 101—9 15 0
Cleveland 100 040 000—5 9 2
D.Darwin, C. Castillo (7), T. Castillo (7), Karchner (7), R.Hernandez (9) and Fabregas; Ogea, Graves (5), Plunk (8), Assenmacher (9) and S. Alomar. W—D. Darwin, 2-2. L—Ogea, 5-4. HRs—Chicago, D. Martinez 2 (6), F. Thomas (14), Belle (13). Cleveland, Thome 2 (12).

Boston 100 300 000—4 11 0
Milwaukee 001 010 112—4 12 0
Suppan, Wasdin (7), Slocumb (8) and Hatteberg; D'Amico, Fiorie (7), Wickman (9) and Matheny, Levis (8). W—Wickman, 3-2. L—Slocumb, 0-3. HRs—Milwaukee, Cirillo (4), Loretta (3).

New York 100 040 000 0—5 10 2
Baltimore 021 000 200 2—7 14 0
(10 innings)
Cone, Lloyd (7), Mendoza (7), Stanton (7), Mecir (9) and Girardi; Key, Orosco (8), A. Benitez (8), Re.Myers (10) and Hoiles. W—Re.Myers, 1-2. L—Mecir, 0-3. HRs—New York, B. Williams (9). Baltimore, R. Palmeiro (11), Tarasco (3).

Minnesota 002 021 000—5 12 0
Texas 001 001 200—4 12 2
Robertson, F. Rodriguez (7), Swindell (7), Trombley (8), Guardado (8), Aguilera (8) and G. Myers; K.Hill, Gunderson (7), X. Hernandez (8), Wetteland (9) and I. Rodriguez. W—Robertson, 6-3. L—K. Hill, 4-2. Sv—Aguilera (13). HRs—Texas, I. Rodriguez (7), (9).

Kansas City 000 030 200—5 10 0
Anaheim 000 000 110—2 7 0
Belcher, Pichardo (9) and Macfarlane; D.Springer, Hasegawa (8) and Leyritz. W—Belcher, 6-6. L—D. Springer, 3-2. Sv—Pichardo (9). HRs—Kansas City, T. Goodwin (1), Macfarlane (2). Anaheim, Edmonds (11).

**NATIONAL LEAGUE**

Colorado 100 300 000—4 5 0
St. Louis 340 078 01x—15 21 0
BM.Jones, Dipoto (2), McCurry (5), M. Munoz (7), DeJean (8) and Je.Reed; Morris, Fasscatore (7), Beltran (9) and Lampkin. W—Morris, 3-3. L—BM.Jones, 1-1. HRs—Colorado, Je.Reed (5). St. Louis, Gant (10), Mabry (3), DeShields (3).

Los Angeles 010 000 020 0—3 10 0
Houston 102 000 000 1—4 7 1
(10 innings)
Astacio, Candiotti (7), Hall (8), Radinsky (10) and Piazza; Kile, Minor (8), R. Springer (8), Magnante (10) and Eusebio. Ausmus (10). W—Magnante, 1-0. L—Radinsky, 2-1. HR—Houston, Bagwell (18).

Pittsburgh 001 100 001—3 10 0
Chicago 001 000 000—1 5 0
Cooke, M. Wilkins (8), Rincon (9), Loiselle (9) and Kendall; Trachsel, Rojas (9) and Servais. Houston (9). W—Cooke, 5-6. L—Trachsel, 3-5. Sv—Loiselle (5). HR—Chicago, Servais (5).

San Francisco 010 161 0—9 14 0
Florida 010 000 x—1 2 0
(6½ innings, rain)
Estes and R. Wilkins; A.Fernandez, Stanifer (5), Hutton (7) and C.Johnson. W—Estes, 8-2. L—A. Fernandez, 5-5. HRs—San Francisco, Mueller (1), Snow (5). Estes (1).

Montreal 000 000 010—1 5 0
New York 000 000 02x—2 7 1
P.J.Martinez and Fletcher; B.J.Jones, Jo.Franco (9) and Hundley. W—B. J.Jones, 10-2. L—P. J.Martinez, 8-2. Sv—Jo.Franco (15). HR—New York, M. Franco (2).

Cincinnati 000 002 000—3 6 0
Philadelphia 010 000 001—2 5 0
Mercker, Remlinger (7), Belinda (8), Shaw (9) and J. Oliver; Schilling, Plantenberg (7), Spradlin (7), Ryan (8), Bottalico (9) and Lieberthal. W—Mercker, 3-5. L—Schilling, 7-6. Sv—Shaw (8). HR—Philadelphia, Hudler (1).

San Diego 100 001 002—5 8 0
Atlanta 000 200 000—2 8 2
Valenzuela, Borowy (7), P. Smith (7), Hoffman (9) and Flaherty; Smoltz, Wohlers (9) and J. Lopez. Edd.Perez (9). W—P. Smith, 1-0. L—Wohlers, 2-1. Sv—Hoffman (10).

### Japanese Leagues

**CENTRAL LEAGUE**

| | W | L | T | Pct | GB |
|---|---|---|---|---|---|
| Yakult | 29 | 19 | 0 | .604 | — |
| Hiroshima | 25 | 21 | 0 | .543 | 3 |
| Hanshin | 24 | 24 | 0 | .500 | 5 |
| Chunichi | 23 | 23 | 0 | .500 | 5 |
| Yokohama | 20 | 23 | 0 | .465 | 6½ |
| Yomiuri | 18 | 29 | 0 | .383 | 10½ |

**WEDNESDAY'S RESULTS**

Yakult 5, Yomiuri 3
Hanshin 6, Hiroshima 1
Chunichi vs. Yokohama, ppd., rain

**PACIFIC LEAGUE**

| | W | L | T | Pct | GB |
|---|---|---|---|---|---|
| Seibu | 28 | 19 | 0 | .596 | — |
| Orix | 23 | 18 | 0 | .561 | 2 |
| Nippon Ham | 24 | 24 | 0 | .500 | 4½ |
| Daiei | 24 | 25 | 0 | .490 | 5 |
| Lotte | 20 | 25 | 1 | .446 | 7 |
| Kintetsu | 19 | 27 | 0 | .413 | 8½ |

**WEDNESDAY'S RESULTS**

Kintetsu 8, Seibu 7
Orix 4, Lotte 1
Nippon Ham 8, Daiei 6

## HOCKEY

### Stanley Cup Finals

**TUESDAY'S RESULT**
**(BEST-OF-SEVEN)**

| | | | |
|---|---|---|---|
| Detroit | 2 | 1 | 1—4 |
| Philadelphia | 2 | 0 | 0—2 |

First Period: D-Shanahan 7, 2. D-Yzerman 6 (Murphy, Fetisov) (pp). 3. P-Brind'Amour 12 (Niinimaa) (pp). 4. P-Brind'Amour 13 (Niinimaa, LeClair) (pp). Second Period: D-Maltby 5 (Kocur) Third Period: D-Shanahan 8 (Lapointe, Fedorov) Shots on goal: D- 14-9-5—28. P- 14-9-8—31. Goalies: D-Vernon. P-Snow.

## SOCCER

**TOURNAMENT OF FRANCE**

Brazil 1, France 1

**INTERNATIONAL FRIENDLY**

Chile 2, Hungary 1

## CYCLING

### Giro d'Italia

Leading finishers Wednesday in the 18th stage of the Tour of Italy, a 40-kilometer (24.8-mile) individual time trial from Bassano di Pine to Cavalese: 1, Serguei Gonchar, Ukraine, Aki, 47 minutes, 18 seconds, 50.740 kph (31.459 mph); 2, Yevgeny Berzin, Russia, Gotik, Del Monte, 1:08 behind; 3, Beppo Boscardin, Switzerland, Festina Lotus, 1:31; 4, Pavel Padrnos, Czech Republic, Rabobta, 1:54; 5, Jose Luis Rubiera Vigil, Spain, Kelme Costa Blanca, 2:06; 6, Denis Zanette, Italy, Aki, 2:27; 7, Pavel Tonkov, Russia, Mapei, 2:30; 8, Paolo Savoldelli, Italy, Rabobta, 2:33; 9, Giuseppe Guerini, Italy, Team Polti, same time; 10, Germano Pierdomenico, Italy, Carrina Tolio, 2:36.

**OVERALL STANDINGS:** 1, Ivan Gotti, Italy, Saeco, 79 hours, 17 minutes, 25 seconds; 2, Tonkov, 37 seconds; 3, Luc Leblanc, France, Team Polti, 4:06; 4, Alexandre Shefer, Kazakhstan, Asics, 5:19; 5, Nicola Miceli, Italy, Aki, 5:48; 6, Guerini, 6:06; 7, Gonchar, 7:42; 8, Giuseppe Di Grande, Italy, Mapei, 8:19; 9, Wladimir Belli, Italy, Brescialat, 10:30; 10, Axel Merckx, Belgium, Team Polti, 11:14.

## TENNIS

### French Open

**QUARTERFINALS**
**MEN'S SINGLES**

Rafter, Australia, def. Blanco, Spa., 6-3, 7-6 (7-3), 6-3.
Bruguera (16), Spa., def. Arazi, Mor., 4-6, 6-3, 6-2, 6-2.

**MEN'S DOUBLES**

Kafelnikov, Rus., and Vacek (4), Czech., def. Braasch and Knippschild, Ger., 4-6, 7-6 (7-2), 6-3.

**WOMEN'S DOUBLES**

Fernandez and Raymond (5), U.S., def. Neiland, Lat., and Sukova (4), Czech., 6-2, 6-3.
Hingis, Swi., and Sanchez Vicario (2), Spa., def. Basuki, Indo., and Vis (7), Neth., 7-6 (7-3), 7-5.
Fusai and Tauziat (3), Fra., def. Martinez, Spa., and Tarabini (10), Arg., 6-2, 6-4.

## TRANSITIONS

**BASEBALL**
**AMERICAN LEAGUE**

CLEVELAND—Released OF Kevin Mitchell.

DETROIT—Activated RHP Willie Blair from 15-day disabled list. Designated RHP Tim Pugh for assignment.

NEW YORK—Put OF Tim Raines on 15-day disabled list. Activated 2B Pat Kelly from 15-day disabled list.

SEATTLE—Activated RHP Allan Westfall from 15-day disabled list.

**NATIONAL LEAGUE**

NL—Suspended Colorado 1B Andres Galarraga and Florida LHP Dennis Cook for 3 games and fined them undisclosed amount, pending appeal, for inciting bench-clearing brawl in May 31 game.

ARIZONA—Signed RHP Jason Boyer to minor-league contract.

CHICAGO—Traded INF Bobby Morris to Cleveland for 1B Rod McCall.

HOUSTON—Signed OF Chuck Carr and assigned him to New Orleans, AA.

LOS ANGELES—Activated OF Brett Butler from 15-day disabled list. Optioned OF Eddie Williams to Albuquerque, PCL.

**BASKETBALL**
**NATIONAL BASKETBALL ASSOCIATION**

ORLANDO—Named Chuck Daly coach.

PHILADELPHIA—Named Gar Heard, John Kuester and Mark Torgeon assistant coaches, Kevin O'Connor director of player personnel and Billy King vice president of basketball administration.

**FOOTBALL**
**NATIONAL FOOTBALL LEAGUE**

INDIANAPOLIS—Signed S Robert Blackmon.

NEW ENGLAND—Signed DE Tharone McQueen. Announced retirement of WR Larry Ryans.

SAN DIEGO—Signed QB Jim Everett and TE Frank Hartley to 1-year contracts. Released QB Sean Salisbury.

ST. LOUIS—Signed OL Ernest Dye and OL Vernice Smith to 1-year contracts. Waived LB Thomas Homco, CB Kenny McEntyre and P Greg Ivy. Released OLB Carlos Jenkins.

SEATTLE—Signed DT Marc Spindler, S Tim Hauck and LB Glen Young.

WASHINGTON—Signed LB Jamel Williams to 3-year contract and OT Joe Patton to 1-year contract. Retained exclusive negotiating rights to QB Gus Frerotte and QB Trent Green.

**HOCKEY**
**NATIONAL HOCKEY**

ST. LOUIS—Acquired G Brent Johnson from Colorado for 1997 3rd-round draft pick and conditional 2000 3rd-round pick. Signed RW Reed Low and G Scott Roche.

N.Y. RANGERS—Signed F Marc Savard.

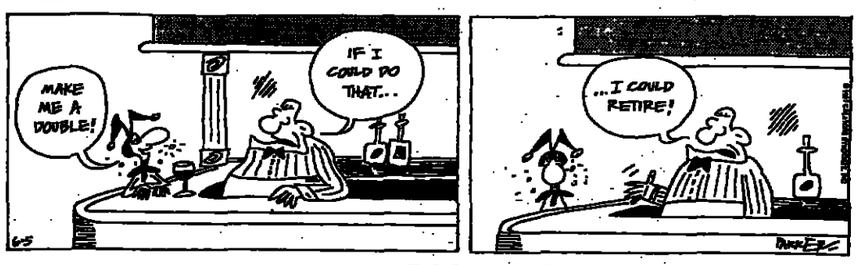
## DENNIS THE MENACE

## PEANUTS

## CALVIN AND HOBBES

## GARFIELD

## WIZARD of ID




## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YURRC
EVAUM
INGELT
HINCUR

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ○○○ ○○○

(Answers tomorrow)

Yesterday's Jumbles: GOOSE HANDY RABBIT WINNOW
Answer: A coffee shop owner always knows this — WHAT'S BREWING

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## ART BUCHWALD

# The Peace Puzzle

WASHINGTON — There is good news and bad news concerning the NATO treaty just signed in Paris. The good news is that it makes World War III less possible. The bad news is that the people who sell arms around the world are going to have a recession.

With Russia and other East Bloc countries as signatories, the munition manufacturers have a problem persuading the NATO partners to order new weapons for their armies.

Buchwald

Willie Loman, who peddles Sherman tanks behind the former Iron Curtain, hasn't written up an order in months.

He told me, "No one is afraid of anyone anymore. I keep telling them the neighboring NATO country could turn on them at any moment, and they laugh at me. Then I tell them Yeltsin is bluffing and wants to use NATO to get his army in shape. They accuse me of saying this just so I can sell them American hardware."

□

I said, "Peace is hell. How can any country defend itself if it doesn't have the latest tanks?"

"That is how everyone in the armaments business feels. All the merchants of death are hurting. Glider Submarines had three $7 billion boats canceled when the Pentagon budget people discovered the only thing the submarines would sink are fish. McDonald aircraft has a new plane that travels 10 times the speed of sound, but there is nothing else up there that can go that fast. The people who negotiated the NATO treaty had no idea how it would affect unemployment in St. Louis."

"Isn't there any nation that would buy a Sherman tank?"

"Yes, but we're not talking to them. I could get an order from Castro today, but the State Department won't let me write one. Iraq is a prospect, but we're not selling to them until they tell us where their poison gas is. The reason Russia signed the NATO treaty is that it wants to sell all its tanks and planes to the West. They're undercutting us every steppe of the way."

□

"Willie, you were the best tank salesman there ever was. It isn't your fault that everyone got sick of spending money on defense. Maybe you could start rumors that Hungary is mobilizing to attack Czechoslovakia. That might bring in some business."

"The Eastern Bloc is not buying. The only place where I've sold anything this year is Turkey, which can't get enough stuff to defend itself against Greece."

"Then what is the solution?"

"The one thing the NATO countries are interested in is equipping their military with Nike sneakers. I think I'll sell them instead of tanks."

I slapped him on the shoulder.

"You're onto something," I said. "There isn't an army in the world that doesn't need running shoes to get across the tundra."

Willie sighed. "Maybe someday every peace-loving country in the world will order a Sherman tank — one that can be driven by men as well as women."

# In Celebration of Rudolf: Blockbuster in Prague

By Jane Perlez
*New York Times Service*

PRAGUE — An extravagant art patron who reveled in the salacious as well as the scientific, an emperor with many courtesans but never a wife, Rudolf II is being celebrated this summer in Central Europe's first blockbuster art show, an exhibition centered on the castle and city where he lived and starred 400 years ago.

More than 1,000 paintings, sculptures, objets d'art, astronomical instruments and manuscripts commissioned and collected by Rudolf and now borrowed from museums around the world are on display at four sites here, including the newly renovated picture gallery at Prague Castle.

From the imperial court high on the hill to the aristocratic houses down in the city, the dazzling cultural spillover from Rudolf's reign — a boom in book printing, architecture and literature — is on show at the Wallenstein Palace, a noble residence that retains some of its original 16th-century interior.

The exhibition, simply titled "Rudolf II and Prague," is intended to remind the world that much of the spectacular scientific and cultural ferment of the late Renaissance took place in Prague, in addition to the better researched cities of Italy, France, Spain and the Netherlands.

In some ways, the show's theme is very relevant. "With all the talk of us returning to Europe, this exhibit says we're not going back anywhere, that we've always been in Europe," said Robert B. Vurm, the show's general manager. "We've just been a bit isolated."

In Rudolf's day, the Habsburg court at Prague was the place to be. Painters, scientists, architects, goldsmiths and jewelers flocked to the city, eager to win the imperial stamp of approval and to show off their work in the stately settings that the emperor created in his expanding castle.

Tomas Tasvl/Agence France-Presse

**The picture gallery in Prague Castle, one of four sites for the exhibition "Rudolf II and Prague."**

Curious in intellect, imposing in physique — who can forget the bulbous face peering out from above a flounced lace collar, as painted by Hans von Aachen, or the voluptuous rendition of his visage in fruits and vegetables by Giuseppe Arcimboldo — Rudolf II attracted some of Europe's best minds. He inspired them to work with and off each other in an exuberant milieu of creative collegiality.

Under Rudolf, Johannes Kepler, the court astronomer, rubbed shoulders with Joost Buergi, an inventor of logarithms. Bartholomeus Spranger, a court painter of allegories depicting lusty women and robust angels, was favored alongside Roelandt Savery, a painter of delicate landscapes. And all the while, in this period just before the rationalist philosophy of Descartes pervaded the world, Rudolf's court nurtured a lively mixture of religion and superstition, chemistry and alchemy, with an overriding sense that man was divine.

To demonstrate this in the context of the times, the chief curator, Eliska Fucikova, an art historian who has been custodian of Prague Castle's art holdings under President Vaclav Havel, has pulled together works from Russia, Poland, Hungary, Western Europe and the United States.

The emphasis is on what Rudolf himself commissioned in Prague rather than on what he collected of painters before his time, like Brueghel. The exhibition, which runs through Sept. 7, is accompanied by a hefty catalogue with 250 color illustrations and 1,000 others, published by Thames and Hudson. An American edition priced at $75 is due in September.

Rudolf's sojourn in Prague began in 1583 and was cut short in 1611 by his brother, Matthias, who organized an army to unseat Rudolf and then succeeded him as emperor of the Holy Roman Empire. Matthias set up court in Vienna, taking with him precious art. Shortly afterward, the Thirty Years' War extinguished Prague as the light of the late Renaissance, and the sack of the city by the Swedish Army in 1648 meant that much of what remained was sold or plundered.

Reuniting such works has meant negotiations with myriad institutions: This show has been a long time in the making. In 1968 there were discussions about a Rudolf exhibition sponsored jointly by Prague and Vienna. But plans came to naught when Soviet troops crushed the democracy movement known as Prague Spring. A Rudolf show was held in Essen, Germany, in 1988, and an extended version ran to huge acclaim in Vienna in the winter of 1989.

But the Czechoslovak authorities, even with Fucikova, one of the world's foremost Rudolf scholars, on hand, were in no mood to play host to an exhibition from Vienna that exemplified the Habsburgs. Finally, with the end of Communist rule and the enlistment of sponsors, chiefly the Czech Bank of Commerce, to share the $3 million cost, the show was put together.

There have been some disappointments. At the last moment Romania decided it would not send five rarely seen paintings. The Getty Museum in California is in the midst of moving its Rudolf collection and would not part with any pieces, Fucikova said.

But the Kunsthistorisches Museum in Vienna obliged with 30 paintings, including Spranger's "Triumph of Wisdom." More than 120 art objects — clocks, vases, statuettes, bowls — have been sent from the museum's decorative arts department.

The exhibition also presents an opportunity to unveil Rudolf's gallery as newly decorated by Borek Sipek, a Czech furniture designer and architect based in Amsterdam. Sipek has preserved the gallery's original line and form, in particular its vaulted doorways, but has added flourishes like a royal blue ceiling flecked with tiny lights for an entrance and a glass door with clean, modern lines.

Until recently, it was vogueish to call Rudolf crazy, in part because he loved art more than politics. It was deemed odd that an emperor who should have had bigger things on his mind visited his artists while they were working, sometimes suggesting what they should paint.

The revisionist version promoted at the Vienna exhibition in 1989 and again here in Prague is that Rudolf was eccentric but certainly not mad. "To say he was crazy and unable to rule is completely wrong," said Dr. Karl Schuetz, the director of paintings at the Kunsthistorisches Museum in Vienna. "But surely he was strange."

Tom Alter/The Associated Press

**FOCUS ON MARILYN — Workers hanging photographs for an exhibition in Barcelona, "Marilyn Monroe: 35 Years After Her Death."**

## PEOPLE

THE Russian-born pianist and conductor **Vladimir Ashkenazy**, who now is head of the Berlin Symphony Orchestra, will become chief conductor of the Czech Philharmonic next Jan. 1. Ashkenazy's appointment fills the vacancy created by the resignation in January 1996 of the German conductor **Gerd Albrecht**, after months of bickering. Albrecht often used German media to accuse Czechs of waging a campaign against him on national grounds. Czech media in return complained of Albrecht's lack of sensitivity in running the country's premier orchestra.

□

**Chelsea Clinton**'s senior prom was a family affair, with the 17-year-old first daughter taking her parents, a White House motorcade and a half dozen reporters to her pre-prom party at a friend's home. Arriving at the party in suburban Maryland an hour late, Chelsea sported a dramatic black cape over a full-length silver-gray skirt splashed with large scarlet poppies and a sleeveless black top. **Bill** and **Hillary Clinton** emerged from the presidential limousine in casual business attire to greet Chelsea's friend, **Emily Hawkins**, and her mother. Later, the kids went to their prom and the parents to a local restaurant. White House aides were tight-lipped about Chelsea's date status for the evening, but once inside the Hawkins home, she added a wrist corsage to her accessories.

□

**Matthew Perry** has voluntarily checked into a treatment center to battle an addiction to prescription pain killers. His publicist, refused to give details about the 27-year-old "Friends" star except that he was in the "early stages of chemical dependency."

□

Technology is on a winning streak, at least in chess. **Natan Sharansky**, Israel's trade minister, who mastered the game in Soviet prisons, lost an exhibition match against **Deep Blue Jr.**, a slower version of the IBM computer that defeated the world chess champion, **Garry Kasparov**, last month. "Very quickly after the first moves, I could see that it sees everything, it knows everything," he said after a three-game match in Yorktown Heights, New York. Last October, Sharansky defeated Kasparov in one of 25 simultaneous exhibition games the champion was playing. Sharansky, 49, a mathematician, spent nearly a decade in prisons before being allowed to emigrate to Israel. He said he played chess in his head during months of isolation.

□

The daughter of the imprisoned mob boss **John Gotti** will write a combination cookbook and family history as part of a new $1 million book contract. **Victoria Gotti**'s deal with Crown Publishing calls for two novels and the cookbook/history, the New York Post reported. "It'll be something like Fanny Flagg's 'Fried Green Tomatoes,' the way it weaves stories with recipes," a Crown editor, **Sue Carswell**, said. Gotti's first novel, "The Senator's Daughter," sold about 50,000 copies, a strong performance for a new author. Her next novel, tentatively titled "I'll Be Watching You," is about the ambitious young daughter of a gambling mogul. The writer's father is serving a life sentence for murder and racketeering. She has said he reads all her work and offers suggestions before it goes to the publisher.

□

**Don Newcombe** wants to pitch his case against Coors Brewing Co. to a jury. A beer ad used a likeness of the former Dodgers pitcher, a recovering alcoholic, without his permission, and he is entitled to a jury trial to determine if his rights were violated, his attorney says. A three-member panel of the 9th U.S. Circuit Court of Appeals heard arguments in a request to reinstate Newcombe's lawsuit against Coors, which a federal judge dismissed in December 1994. Newcombe, 71, a Cy Young Award winner, retired from an 11-year baseball career in 1960. Since then, he has become an advocate for anti-alcohol programs for professional athletes.

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